
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 10, 2017 (August 9, 2017)

Vantiv, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of
incorporation)

001-35462
(Commission
File Number)

26-4532998
(IRS Employer
Identification No.)

**8500 Governor's Hill Drive
Symmes Township, Ohio 45249**
(Address of principal executive offices, including zip code)

(513) 900-5250
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

Certain Communications

On August 9, 2017, Vantiv, Inc. ("Vantiv") held an investor conference call in the U.K. at 4:00 a.m. EDT (9:00 a.m. BST) (the "U.K. Analyst Call") and an investor conference call in the U.S. at 8:00 a.m. EDT (1:00 p.m. BST) (the "U.S. Analyst Call"), in each case regarding the announcement pursuant to Rule 2.7 of the United Kingdom City Code on Takeovers and Mergers disclosing the terms of a recommended offer by Vantiv to acquire the entire issued and to be issued shares of Worldpay Group plc, a public limited company registered in England and Wales ("Worldpay"), in a cash and stock transaction (the "Business Combination"). Copies of the transcripts of the U.K. Analyst Call and the U.S. Analyst Call are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

The information furnished on this Form 8-K, including the exhibits attached, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Transcript of U.K. Analyst Call dated August 9, 2017
99.2	Transcript of U.S. Analyst Call dated August 9, 2017

Cautionary Statement Regarding Forward-Looking Statements

This current report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this current report are forward-looking statements including any statements regarding guidance and statements of a general economic or industry specific nature. Forward-looking statements give Vantiv's current expectations and projections relating to Vantiv's financial condition, results of operations, guidance, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "will," "may," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements contained in this current report are based on assumptions that Vantiv has made in light of its industry experience and its perceptions of historical trends, current conditions, expected future developments and other factors Vantiv believes are appropriate under the circumstances. As you review and consider information presented herein, you should understand that these statements are not guarantees of future performance or results. They depend upon future events and are subject to risks, uncertainties (many of which are beyond Vantiv's control) and assumptions. Although Vantiv believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Vantiv's actual future performance or results and cause them to differ materially from those anticipated in the forward-looking statements. Certain of these factors and other risks are discussed in Vantiv's filings with the U.S. Securities and Exchange Commission (the "SEC") and include, but are not limited to: (i) Vantiv's ability to adapt to developments and change in Vantiv's industry; (ii) competition; (iii) unauthorized disclosure of data or security breaches; (iv) systems failures or interruptions; (v) Vantiv's ability to expand its market share or enter new markets; (vi) Vantiv's ability to identify and complete acquisitions, joint ventures and partnerships; (vii) failure to comply with applicable requirements of Visa, MasterCard or other payment networks or changes in those requirements; (viii) Vantiv's ability to pass along fee increases; (ix) termination of sponsorship or clearing services; (x) loss of clients or referral partners; (xi) reductions in overall consumer, business and government spending; (xii) fraud by merchants or others; (xiii) a decline in the use of credit, debit or prepaid cards; (xiv) consolidation in the banking and retail industries; (xv) the effects of governmental regulation or changes in laws; (xvi) outcomes of future litigation or investigations; (xvii) uncertainties as to the timing of the Business Combination; (xviii) uncertainties as to whether the Business Combination will be completed; (xix) the possibility that stockholders or other third parties will file lawsuits challenging the Business Combination; (xx) potential operating costs, customer loss and business disruption occurring prior to completion of the Business Combination or if the Business Combination is not completed; (xxi) the effect of the announcement of the Business Combination on Vantiv's business relationships, operating results and business generally; (xxii) the failure to satisfy conditions to completion of the Business Combination, including the receipt of all required regulatory approvals; and (xxiii) difficulty in retaining certain key employees as a result of the Business Combination. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect, Vantiv's actual results may vary in material respects from those projected in these forward-looking statements. More information on potential factors that could affect Vantiv's financial results and performance is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Vantiv's periodic reports filed with the SEC, including Vantiv's most recently filed Annual Report on Form 10-K and its subsequent filings with the SEC.

Any forward-looking statement made by Vantiv in this current report speaks only as of the date of this current report. Factors or events that could cause Vantiv's actual results to differ may emerge from time to time, and it is not possible for Vantiv to predict all of them. Vantiv undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Additional Information

This current report may be deemed to be solicitation material in respect of the Business Combination, including the issuance of shares of Vantiv common stock in respect of the Business Combination. In connection with the foregoing proposed issuance of Vantiv common stock, Vantiv expects to file a proxy statement on Schedule 14A with the SEC. To the extent Vantiv effects the Business Combination as a Scheme of Arrangement under United Kingdom law, the issuance of Vantiv common stock in the Business Combination would not be expected to require registration under the Securities Act, pursuant to an exemption provided by Section 3(a)(10) under the Securities Act. In the event that Vantiv determines to conduct the Business Combination pursuant to an offer or otherwise in a manner that is not exempt from the registration requirements of the Securities Act, it will file a registration statement with the SEC containing a prospectus with respect to Vantiv common stock that would be issued in the Business Combination. **INVESTORS AND STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VANTIV, THE BUSINESS COMBINATION AND RELATED MATTERS.** Investors and stockholders will be able to obtain free copies of the proxy statement and other documents filed by Vantiv with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors and stockholders will be able to obtain free copies of the proxy statement and other documents filed by Vantiv with the SEC at <http://investors.vantiv.com/>.

Participants in the Solicitation

Vantiv and its directors, officers and employees may be considered participants in the solicitation of proxies from Vantiv's stockholders in respect of the Business Combination. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Vantiv's stockholders in connection with the Business Combination, including names, affiliations and a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement and other relevant materials to be filed with the SEC. Information concerning the interests of Vantiv's participants in the solicitation, which may, in some cases, be different than those of Vantiv's stockholders generally, is set forth in the materials filed by Vantiv with the SEC, including in the proxy statement for Vantiv's 2017 Annual Meeting of Stockholders, which was filed with the SEC on March 15, 2017, as supplemented by other Vantiv filings with the SEC, and will be set forth in the proxy statement relating to the Business Combination when it becomes available.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VANTIV, INC.

Dated: August 10, 2017

By: /s/ NELSON F. GREENE

Name: Nelson F. Greene

Title: Chief Legal and Corporate Services Officer and Secretary

EXHIBIT INDEX

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**Vantiv Inc.: Vantiv and
Worldpay Merger
Conference Call**

Wednesday, 9th August 2017

Vantiv and Worldpay Merger Call

Nathan Rozof

*Head of Investor Relations, Vantiv***Opening remarks**

Good morning. Thank you for joining us to discuss Vantiv's combination with Worldpay. Together we will create a leading omni-commerce payment company, and the chief purpose of today's call is to discuss the strategic rationale and investment thesis for this transaction.

Please note that earlier today Vantiv announced its second quarter 2017 results, and Worldpay announced its first half 2017 results, both of which we will discuss briefly during the call. The 2.7 announcement, slide presentation and other materials describing our combination, as well as each company's earnings release can be found on our corporate websites. I would also direct your attention to the Safe Harbor statements and other required statements on page 2 of our presentation.

Throughout this conference call we will be presenting non-GAAP and pro forma financial information, including net revenue, adjusted EBITDA, pro forma adjusted net income and pro forma adjusted net income per share. These are important financial performance measures for the company, but are not financial measures as defined by GAAP. Reconciliations of our non-GAAP pro forma financial information to the GAAP financial information appear in today's press release.

Finally, before we begin our formal remarks, I need to remind everyone that our discussion today will include forward-looking statements. These forward-looking statements are not guarantees of future performance and therefore you should not put undue reliance upon them. These statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from what we expect. Please refer to the forward-looking statements disclosure in today's earnings release and then Vantiv's periodic filings with the US Securities and Exchange Commission.

Additional details concerning our business risks and the factors that could cause actual results to materially deviate from our forward-looking statements can be found in our Annual Report on Form 10-K under the headings, 'Risk Factors', and, 'MD&A'. And there are other filings with the SEC which are available at sec.gov. Furthermore, this call and presentation may be deemed to be solicitation material in respect of the transaction and we urge our investors to read the proxy statement and other relevant documents filed or to be filed with the SEC including information regarding persons who may be deemed participants in the solicitation.

Transaction summary

Turning to slide 3, let me summarize the structure of this transaction. The transaction will create a company with an enterprise value of £22.2 billion or \$28.8 billion. It contemplates a premium of approximately 34% to Worldpay's six months volume weighted average price, and ascribes Worldpay an enterprise value of approximately £9.3 billion or \$12 billion.

Worldpay shareholders will receive 55 cents in cash and 0.0672 new Vantiv shares for each share of Worldpay stock they own. Vantiv is offering a mix and match facility, and Worldpay shareholders will be entitled to 0.8p interim dividend and 4.2p closing dividend.

On Tuesday, Vantiv announced its buyback of 19.28 million Vantiv shares from Fifth Third Bank. Fifth Third is a strong partner as well as our largest client. We have a deep and strategic relationship that will extend many years into the future and we are grateful for their support. And in order to enhance the transaction by increasing accretion and to reduce the potential for regulatory risk, we have jointly decided to execute this \$1.27 billion share repurchase that will reduce Fifth Third's position to 4.9% of the new combined company.

Vantiv's shareholders will own approximately 57%, and Worldpay's shareholders will own approximately 43% of the new company which will be called Worldpay. The company will be listed on the New York Stock Exchange and will have a secondary listing on the London Stock Exchange. Cincinnati, Ohio will become the combined company's global and corporate headquarters, and London will become its international headquarters. Charles Drucker will serve as our combined company's Chief Executive Chairman and Co-CEO. Philip Jansen will serve as Co-CEO, and Stephanie Ferris will serve as CFO, both reporting to Charles.

The combined company will have a 13-person board comprising eight-Vantiv designated and five Worldpay-designated directors.

As shown on slide 4, today's call will feature Vantiv's Chief Executive Officer, Charles Drucker and Worldpay's Chief Executive Officer Philip Jansen, as well as Vantiv's Chief Financial Officer, Stephanie Ferris and Worldpay's Chief Financial Officer, Rick Medlock. I will now turn the call over to Charles Drucker, who will begin his remarks on slide 5.

Creating a Global Leader in Payments

Charles Drucker

CEO, Vantiv

A powerful combination

Thank you, Nate, and Philip and I are delighted to talk to you today about this transaction. This is a powerful combination that is strategically compelling for both companies. It joins two highly complementary businesses and will allow us to achieve more together than either of us can do on our own. The business will have multiple opportunities to deliver growth.

First, the combination will create a global eCom leader. eCommerce is growing twice as fast as the overall payment market and our company will have unparalleled scale, a comprehensive suite of solutions and the worldwide reach to be a global partner of choice.

Second, we will expand in the high-growth markets in order to benefit from the secular growth in electronic payments across international geographies, high growth verticals and new client segments.

Third, our combined company will have the capacity to deliver innovation at scale. Scale is an asset in our industry, and so is the ability to innovate. What is uncommon is having the combination of both. We will have the size and capabilities to deploy advanced payment technologies in a way that is more nimble and more cost effective, to further differentiate us from our peers.

Finally, all these strategic benefits are enhanced by significant cost synergies. We anticipate that this transaction will achieve annual recurring pre-tax cost synergies of approximately \$200 million by the end of the third year after closing.

The digital revolution

So turning to slide 6, we've all seen the impact of technology. Consumers worldwide now expect to transact using all form factors across all channels and to do it simply and seamlessly in ways that are fast and secure. Across the world, merchants are rising to meet these expectations, integrating both their physical and online presence as well as their payment systems.

Merchants need a more global strategic partner to help them tackle complexities. Together, our combined company will meet that challenge by providing them simplicity and innovation. We will be the global one-stop shop, offering scalability and reliable solutions that provide clients with always-on, omni-channel payment capabilities. In particular, our company will be well positioned for success in eCommerce, the fastest growing part of the payments industry.

As noted on this slide, eCommerce is projected to double by 2020 driven by connectivity, mobility and cross border. The rapid growth of eCommerce creates an exciting opportunity for our combined company. As shown on slide 7, our new company will be positioned for success in fast-growing, but still fragmented markets. Vantiv's robust eCommerce, US eCommerce and omni-channel offering provides leading capabilities to domestic merchants. Worldpay's international online and multi-currency payment offering serves the world's largest eCommerce merchants outside of the US.

Together we will create a unique and powerful global eCommerce player. Our company will have scale and a leading global position, enabling us to offer a genuinely worldwide solution with strengths across both the US and international markets. We will have the ability to support more than 300 different payment methods across 146 countries and 126 currencies. Our integrated technology platform will enable us to offer differentiated products, including data and analytics and value-added services.

Our combination creates an unrivalled client value proposition. We will be a one-stop shop for global merchants' omni-channel needs, cutting through the complexity, and will enable them to enter new markets easily and seamlessly. We will offer merchants a unified global view of their data across the physical and online and mobile channels. Our combined capabilities will create significant cross-selling opportunities. We will offer international capabilities to Vantiv's existing US clients, help Worldpay's non-US clients penetrate the US and provide attractive solutions encompassing multiple currencies and payment options to global clients searching for a strategic partner.

Now, I would like to turn the call over to Philip to talk about the business.

Expanding Integrating Payments

Philip Jansen

CEO, Worldpay

Expansion of integrated payments

Thank you, Charles, and good morning everyone. Turning to slide 8, Vantiv has pioneered the expansion of integrated payments in the US and is now an established leader in this market segment. By working with developers to embed payments into integrated points of sales software, Vantiv has built a compelling solution that is particularly attractive in the SMB market. We expect the increasing adoption of integrated payments among SMBs to continue to contribute to Vantiv's strong growth in the US.

In addition, we see growth opportunities from combining Vantiv with Worldpay. First, we will be able to more easily follow Vantiv's US integrated payment clients and partners as they expand overseas. Second, we see significant opportunities in the UK with our existing 250,000 SMBs as well as with new customers as demand for integrated payments takes off. Finally, we see an opportunity to use our expertise as a springboard to expand into other markets as integrated payments gains more traction across the world.

Enhancing our deep vertical expertise

As shown on slide 9, Worldpay and Vantiv have both developed differentiated expertise in vertical markets. We have both succeeded by creating products and solutions that are highly specialized and reflect their deep knowledge of each industry. Because these solutions are embedded in their respective industry ecosystems, they produce strong recurring revenue and are also very difficult to dislodge.

In the future, we plan to expand our vertical expertise, particularly in high-growth verticals. We expect B2B, healthcare and digital, in which Vantiv and Worldpay respectively have already made significant investments, will continue to benefit from increasing card adoption, creating sectors with strong and sustainable secular growth.

A global platform

Looking at slide 10, our extremely competitive positions in the world's two largest and most developed payments markets, plus our reach in 146 countries, will create a truly global platform for international expansion. What excites us even more are the opportunities to expand into other geographies that Worldpay is just beginning to tap. Latin America and Asia Pacific offer outstanding growth potential. We are already active in these markets, offering eCommerce to global merchants. We plan to build up on our presence and go domestic over time in many of these markets, expanding our global revenue base.

Emerging markets are expected to drive 75% of all global card volume growth over the next 10 years. Together, Worldpay and Vantiv can leverage our position as a leader in the deepest and most attractive global markets as a platform to capture this growth.

Delivering innovation at scale

As Charles mentioned at the beginning of his presentation, the combined company will have the unique capacity to deliver innovation at scale. As shown on slide 11, our combined company will be the leading global merchant acquirer, processing more than \$1.5 trillion in volume each year, with one of the lowest, if not the lowest cost structure.

We will have the unmatched scale to support hundreds of thousands of merchants all around the world. We should be really clear here. Size and scale are not the same things. Our combined company will not only be large: our new company will benefit from the differentiated solution set created by Vantiv's agile integrated and scalable US platform and Worldpay's next-generation secure and flexible global technology.

Worldpay is just coming to the end of a significant multi-year CapEx investment program, and the combined company will benefit from its enhanced technology platform. Both companies have built their systems to accept payments in any form as well as to support the integration of physical, online and mobile commerce solutions. Together, we will have a very powerful platform for growth.

These capabilities, combined with our willingness to constantly adapt and integrate new innovations, position us to serve our merchants as a simplified eCommerce and omni-commerce solution, making us a global partner of choice for merchants, developers and disruptors worldwide.

A global omni-commerce leader

Looking at slide 12, joining our companies together will create an unmatched integrated technology platform. We will have a robust competitive position, ranked number one in the US, number one in the UK and number one globally. Vantiv is today the number-one US payments company with the leading position in both total and pin debit transactions. Worldpay is the UK's number-one payments company and the number-one international payments provider with extensive multi-currency and alternative payment capabilities. Combined, this new company will be the leading strategic partner for merchants.

Vantiv has industry-leading capabilities in integrated payments, and Worldpay is a leader in international eCommerce. Together we will be a global omni-commerce leader able to support merchants' integrated, online, offline and mobile transactions.

As I said earlier, both organizations have deep expertise in vertical markets. We will create new solutions that enable us to penetrate high growth verticals while deepening our presence in sectors that we already address. Quite simply, our scale, our highly complementary expertise and our technology will enable us to innovate and serve our clients as never before, better and faster than either Worldpay or Vantiv could do alone.

Financial Rationale

Stephanie Ferris

CFO, Vantiv

The figures

Thank you Philip. On slide 13, we have shown some figures of the size of our business on a pro forma basis for the full year 2016. All these amounts are before synergies. On a combined base of over \$1.5 trillion of sales volume across 40 billion transactions, we would have generated net revenue of \$3.2 billion in 2016. We also would have generated \$1.5 billion

in adjusted EBITDA with an industry-leading 48% pro forma adjusted EBITDA margin. And given Worldpay's recent technology investments, this high level of profitability would have room for further margin expansion. Our combined company would have generated \$1.2 billion of free cash flow representing nearly 80% conversion of adjusted EBITDA, which again includes Worldpay's substantial CapEx investment in 2016.

Looking ahead, you will see on slide 14 that this transaction will increase our ability to grow revenue, including cross-sell opportunities and expansion into new high-growth markets, as Charles and Philip have both previously discussed. We also anticipate realizing approximately \$200 million of annual recurring pre-tax cost synergies by the end of the year three, following the close of the transaction. Most of these will come from harmonizing our combined company's US platform and from streamlining corporate costs.

Generating shareholder value

We project earnings accretion to our existing and new shareholders beginning in 2019 and expanding thereafter. In addition, both our businesses have a strong credit profile, giving us ample potential to de-lever in the near term, similar to what we have done in the past. We are targeting a 4 times debt to EBITDA leverage ratio over the 12 to 18 months post the closing of the transaction.

Compelling financial profile

Turning to slide 15, our combined company will have a powerful business model and a compelling financial profile. Our business model features a high proportion of recurring revenue from a sticky customer base that enjoys minimal client concentration. In addition, we expect that the tremendous expansion in payments in the US, the UK and globally will continue to drive robust organic growth.

Our highly competitive cost of processing as well as our ability to expand margins due to our scalable technology positions us to be able to drive continued earnings growth.

Second-quarter results

Now I would like to briefly review Vantiv's 2017 second-quarter results and our outlook for both the third quarter and the full year 2017. We are pleased to report another solid quarter, with net revenue increasing 10% to \$530 million and pro forma adjusted net income per share increasing 19% to \$0.83.

Merchant services net revenue increased 15% to \$449 million, primarily due to a 10% increase in transactions and a 5% increase in net revenue per transaction. On an organic basis, our merchant services net revenue grew low double digits.

Financial institution services net revenue decreased 13% to \$81 million, primarily to the de-conversion of a major client, the remaining effect from the Fifth Third Bank contract renewal and lapping the contribution from EMV card reissuance and fraud-related services in the prior year period.

Turning to slide 17, you will see Vantiv is increasing our full-year 2017 guidance. Reflecting strong first-half performance, we tightened the low end of our net revenue expectation, which is now \$2.1 to \$2.12 billion, representing net revenue growth of 10% to 11% above the prior year. We have also raised our full year pro forma adjusted net income per share range to \$3.31 to \$3.36, primarily due to the share repurchase that we announced yesterday.

In addition, we are providing guidance for the third quarter. We expect third-quarter net revenue to be \$544-554 million, representing an increase of 11-13% over the prior year period. Pro forma adjusted net income per share is expected to be \$0.88 to \$0.90.

Our guidance, of course, does not reflect any impact from the transaction with Worldpay. Now I would like to pass the call over to Rick.

Worldpay Results H1 2017

Rick Medlock

Chief Financial Officer, Worldpay

Overview

Thanks, Stephanie. Good morning, everyone. Worldpay had a strong first half. We made great progress across the business and delivered a robust financial performance, especially given the tough comparative from the exceptional growth that we saw in the first half of 2016. The further acceleration in the pace of our technology development, our innovation and our new product is delivering better outcomes for our merchants, and as we planned, we are successfully migrating customers onto our new acquiring platform, a key element of our technology that will enable us to compete sustainably and effectively on a global scale. We are also strengthening our customer relationships across all divisions, and are expanding our global capabilities in market reach, with a focus on key growth markets such as Latin America and Asia Pacific. Our confidence remains high, and this is reflected in our medium-term revenue growth guidance, which is unchanged.

Worldpay's first half of 2017 financial results and highlights

As slide 19 shows, we have continued to make very good progress across all of our KPIs. Transaction growth in terms of value is up 11%. That is driving net revenue, also up 11%: a strong performance against the 16% growth seen in the first half of last year. Underlying EBITDA was up 14%, with margin increasing by 80 basis points ahead of expectations, and we generated £60 million of free cash flow. Now, that is a good performance, particularly given the headwind of over £50 million from higher tax payments and increased CAPEX investments.

Worldpay's divisional performance

Global eCom

If we look briefly at the divisional performance on slide 20, Global eCom delivered net revenue growth of 17%, and underlying EBITDA of 20%. Even with some benefit from currency translation, this is a great performance, especially given the 25% growth that we reported in the first half of last year. We have seen good momentum right across the eCom business, and we are now really starting to see the benefit of the investments that we made in our reach and capability. These are driving growth, both in Asia Pacific and Latin America, where we are growing at a rate that is a multiple of overall eCom growth.

Worldpay UK

The UK has made good progress on its strategy to give more value for merchants. Net revenue growth was 2%, which reflected the demanding comparative from the first half of

2016, as well as year-on-year increases in scheme fees and a deceleration in UK consumer spending towards the end of the half. We are expecting to deliver strong net revenue growth in the second half of the year, driven by changes in sales strategy, pricing and take-up of value-added products and services.

Worldpay US

Finally, we are continuing to make progress on the repositioning of the US business. There are positive signs across a broad front in terms of operations, customer service and products. Although it is taking longer than we would like for this progress to be reflected in the US performance, we continue to manage cost quite tightly, and so underlying EBITDA was stronger, growing 12% on a constant-currency basis.

With that, I will hand back to Charles.

Creating a Global Leader in Payments

Charles Drucker

CEO, Vantiv

A powerful combination

Thanks, Rick. To summarize, on slide 29, this is a powerful combination that is compelling for both companies. It creates an unmatched global ecommerce leader, with the number-one share in the world's two largest and most developed payment markets, and we are the number-one share worldwide. It extends our presence into high-growth markets, and it creates a combination of scale, distribution and technology that provides significant competitive advantages which will enable us to create disruptive innovation worldwide.

Concluding remarks

Concluding on slide 22, as I look at the competitive landscape and see where we will be positioned, I have to tell you that I am very excited. This combination will enable us to leapfrog our competition and create the future of payments.

Before I turn it over to the operator, I want to thank our employees, who really look after our clients every day. If not for them, we would not be in a position to be putting both of these companies together. The employees of Worldpay and employees of Vantiv work tirelessly.

With that, let us open it up to the operator and take questions.

Q&A

David Mulholland (UBS): Hi. Thanks for taking the question. Just one on the technology platform and how you plan for that going forward. I just wondered if you could maybe give us a bit of color on how you plan to integrate the different technology assets of the businesses, and whether you look to get to a point where get one single acquiring platform globally, or whether you carry on with the separate US platform and then use Worldpay's capabilities globally? Some color on that would be really helpful.

Charles Drucker: Yeah, so we are still early on, but the plan is first to harmonize the US platform and put that together. The other part is to take advantage of all the new technology

that Worldpay has put in international, and to potentially put a bridge between both and be able to harmonize the type of activities that you can leverage on each platform. Obviously we are in the early stages and continue to develop a plan, but really what we want to do is make sure whatever we put on the platforms can be delivered to all our clients and really have them take advantage.

Philip Jansen: David, let me just add to that. The thing I would say is, by combining the two technology estates, there will be some overlap, as Charles says, and we will integrate them into one common approach, but there will never be one platform across the whole world. The really important thing is what Charles said earlier about innovation at scale. Just think about the speed at which we can develop new innovations, new products, new solutions for our customers and now we develop it once on a much larger business. That is going to be hugely attractive for our customers and very productive from an efficiency point of view for us.

Charles Drucker: Yes, our goal will be that our customers have one experience at the end of the day when we put it together. What happens behind the scenes, we are going to manage.

David Mulholland: That is great. And then maybe I could ask just one quick follow-up. Obviously, there has been quite a long runway in terms of delivering the new platform within Worldpay. I just wondered if you could help us understand how do you deal with the finalization of that platform whilst now potentially looking to merge the two companies? Do you have enough bandwidth to deal with all of the technology change that could be going on over the next 12 months, and how do you make sure you do not see any disruption to customers?

Philip Jansen: David, really good question. I think from a migration point of view from old Worldpay, it is business as usual. Got peer plans, and as we say in our announcement, the boarding of new customers and the migration of existing carries on as per the previous plan. I think your point is a good one, and it is one that Charles referred to a minute ago. We do not have all of the details thought through in terms of how we execute the technology agenda, but it is hugely exciting. We will get great products out there very quickly for our customers, but at the same time we need to think through how we manage the combination. There is a bit of time and effort to go into that, but we have a few months to sort that out.

Charles Drucker: I would tell you from the Vantiv standpoint, we have great people that do hard well. These are hard things to do, but they do it very well. We have a history in the US of being able to consolidate platforms and move clients, and we actually take the time and the care, just like Worldpay has done, to make it as seamless as we can to the client. We have a pretty good track record of doing these pieces, and our approach is the same, which is that it is always done with the client in mind.

Philip Jansen: David, again, when Charles and I talked about it, we have looked at what Charles has done – what Vantiv has done – over the last few years with integrating so many very sizeable acquisitions, and we will benefit greatly from that knowledge.

Adithya Metuku (Merrill Lynch): Good morning, gents. Congrats. I have two questions. Firstly, looking at the US, the cost base for the US appears to be more than \$350 million, including any centrally allocated expenses. I am trying to understand why the synergies are going to be higher than \$200 million. Is there anything in the US that Worldpay currently does that Vantiv does not do? Any color that you can provide on the capabilities of Worldpay US that you intend to keep after the acquisition will be very helpful.

Secondly, looking at integrated payments, Vantiv has had a lot of success in the US with the integrated payments offering that you guys have. Worldpay has not had a similar level of success, but they are ramping. Can you provide any thoughts on why there is the differential in the adoption rates in the UK and the US markets, and what you can do to drive adoption in the UK? Thank you.

Charles Drucker: Like we said, early stage, but our goal is to harmonize the US platform and then determine; we always do what is best in class and what features and functions. We are going to harmonize the platform. Right now, you are looking at a total number; and I am not sure exactly what the number is. That includes sales people, and we have merchants to cover and they have banks and they have other components, so we are confident of our ability to deliver the \$200 million across the company, and I feel that is a very strong number from my perspective.

Philip Jansen: The only thing I would add to that, Adithya, is we have given enormous thought and care to the synergies, as you can see in the documentation. It is \$200 million; we feel very good about that number. 63% will come from the overlap of the two US businesses, but as Charles said, there are a lot of things we are doing at our respective ends that revolve around revenue and customers, and that will not be put at risk at all. It is only where there are overlaps where we just simply do not want to duplicate activity that we take out cost. We will take our time to get it right and execute the \$200 million, as we said.

Charles Drucker: Yeah, and I would say on your second question, first of all, outside of ecommerce and our scale and innovation – there are so many good things in here – with the integrated payments we have a very good expertise in the US, and there are a lot of clients in the dealers and developers that are moving beyond the borders of the US, and we think there is a great opportunity to help follow these dealers and developers to give them the capability to go into different countries, so we think by working with that and working with Philip's team that he has with the expertise he has across the world, we can then help drive adoption in other parts of the world in integrated payments.

Philip Jansen: Yes, and Adithya, I would add to that as well. I think we have talked before about integrated payments in the UK. Again, the great benefit of this combination is the US market is the largest market in the world, and the most technologically advanced. There is lots of innovation happening in that marketplace. We are now, combined, the number-one player in the US, but also number-one player in integrated payments in the US. Bringing that expertise and technology into the UK is much easier for us to do now than it was previously, and the reason the market has not taken off yet is there is not as much innovation and there are a lot less players. We are the market leader in the UK, and we think we can use our current position to leverage the strengths of Vantiv integrated payments.

Alexandre Faure (Exane BNP Paribas): Hi, good morning. Thanks for taking my question. Just a quick one for Charles, maybe. Excuse my ignorance regarding Vantiv, but thinking of your online exposure or online technology, do you have a high-capacity online payment gateway in the US at the moment? Is it more a solution for SMBs, or is it built on the Litle acquisition in 2012? Just trying to gauge whether you have the technology to support the typical kind of customer that Worldpay would have in Global eCom. Thanks.

Charles Drucker: Yes, so from my perspective we have a very strong online ecommerce solution for the US. We bought a company several years ago that was a very strong player, and we think our product, features and functions in the US are extraordinarily competitive, and we have been winning share recently. We announced in one of our earnings calls winning the Netflix business in the US.

The gap that we have today is to be able to get that global reach of reaching into those 146 countries and those 126 currencies and 300 different payment types. That is a gap, so we think when we put both of these together, it is really going to be a one-stop shop that will allow us, for a US client base who want to process internationally and may use another processes, to be able to tie that together and really make it seamless for them, and also for Philips Lodge[?] clients, that they did not as good of a US presence, that we can bring our scale and capabilities in. We are also excited about, just on one of the slides, some of the revenue generation for our clients that helps them improve their off rates and improve their fraud rates. That is core in the thesis and we think putting these two together are extraordinarily powerful.

Oliver Gleeson (Investec): Hi, there, good morning. Thanks for taking my question. It is really about irrevocable, so the two questions are on the Vantiv side. Did you seek any irrevocable from any of the Vantiv shareholders? If not, why not? The same for the Worldpay side, the scheme vote. Again, did you try to seek any irrevocables from shareholders? If not, what confidence do you have that those shareholders will still vote in favor of the combination?

Charles Drucker: I am going to ask Nath, but I think the value proposition and our ability to grow in the future is really what we are talking about, and I think once we explain the business and where we are going and all the potential growth opportunities as payments are growing fast, that I have a high confidence level that our investors will see that capability.

Nathan Rozof: Yes, I think that is a complete answer.

Oliver Gleeson: Just to be clear, you did not actually approach any shareholders on either side to seek irrevocables ahead of the announcement?

Nathan Rozof: I see this as compelling, that I think our shareholders will look at this and believe where we are going with this. I see it as a compelling and I have confidence that we will be able to complete the transaction.

Philip Jansen: I can confirm from the Worldpay side we have not sought any irrevocables from our shareholders, either.

Oliver Gleeson: Okay, thank you.

Hatan Datar (UBS): Good morning, gentlemen. Congratulations on the deal. I have a couple questions for Charles and Philip here. The first one was if you could just give us more clarity around the timing associated with the key milestones. I understand you will have to have team documents and a Vantiv shareholder document out, and you have to make a number of regulatory filings. Given the limited overlap, so one, can you just provide some timing on the key milestones for the deal? Number two – this is probably a little bit more for

Charles – in terms of the transaction, it needs an approval from the Vantiv shareholders, and I see in the document here that the Vantiv board intends to recommend shareholders to vote in favor of the merger. I was just curious, are there any scenarios in which that recommendation to vote in favor of the transaction on the Vantiv side will fall away? Thank you.

Charles Drucker: Yes, so the first question was the timing or the milestones, first milestones are out obviously at the 2.7, and then continuing to work with shareholders, the proxies, getting the votes through, that I think we are talking about expected first 1Q of 2018 type of close. I would say from my board, with all the facts and everything we have, both boards have concluded that this is the deal we want to do for our shareholders. I have to tell you it did not come overnight. Like any other board, we strategically looked across the market to see what is the best combination and how do we grow better, and how we position in a consolidated industry. My opinion, as I said in other of the US calls, is that this industry is going to consolidate, and when we look at the partners to be able to grab where e-commerce is going, which is one of the fastest growing sections, the integrated payments, this deal makes sense for our board.

Philip Jansen: I think it is fair to say both boards are very, very, excited about the combination of two companies who have been performing extremely strongly for many years. I think just by putting the two together, we will be even stronger. I think both boards are – Charles and I have spent time with both our respective boards – are fully supportive of this combination.

Hatan Datar: Maybe drilling down just a little bit more specifically, then. For Worldpay shareholders, one of the concerns would be, if there was another suitor that either looked at Vantiv or Worldpay, would that impact from a fiduciary standpoint for Vantiv specifically, whether they would still be able to recommend voting in favor for the Worldpay transaction?

Charles Drucker: No, I think, at this point, all I can say at this point is our boards have met. This is the transaction. We put out the 2.7, which show our conviction around this deal.

Philip Jansen: Yes, I think just to be clear, I think you mentioned our fiduciary duties as respective companies, and I am sure Charles can talk for Vantiv, but Worldpay have followed that responsibility extremely carefully and take it very, very seriously, and I think the board from a Worldpay perspective feels very comfortably they followed that duty with a great degree of care. I happen to know that Vantiv have done the same, and Charles just confirmed that.

Charles Drucker: Yes.

Hatan Datar: Okay, that is brilliant. Thanks again, and congratulations, gentlemen.

Philip Jansen: Thank you.

Antonio Casari (Northflight): I would like to focus a bit on how the integration would work from a financing perspective, in particular, regarding Worldpay Finance Plc., which is the current issuer of the term loans as well as the senior notes. Shall we assume that going forward, after the integration, of course, lenders will be able to rely on both businesses? How would that work as a result of merger, integration? Would Vantiv become guarantor of Worldpay Finance Plc.? In the other scenario, would Worldpay Finance Plc., remain separate, and therefore lenders will only rely on the business of and EBITDA and cash flow of the current guarantors, i.e., the Worldpay business?

I was also wondering if you had conversation with rating agencies in terms of what the implications are in terms of the further rating of the Worldpay existing bonds outstanding?

Stephanie Ferris: Yes, we have employed and have been working with financing to complete this transaction. There will be new financing as a result of this transaction. I do not think we have disclosed the specifics of it quite yet, but you can expect that the financing will be based upon the combined entities' cash flows, not separate, as you would expect with a combined company.

We are very comfortable with what our weighted average cost of debt will be post-transaction. We have also, yes, spoken with rating agencies, and they are familiar with the proposed financing, and cannot comment on what they will do on ratings per se, but we have targeted – and I think I have said it in my comments, specifically – that our intention post-closing of the transaction would be delevering down to four times or below by 12 to 18 months post the closing of the transaction.

We, from a Vantiv standpoint, similar to Worldpay, take the financing pieces of the transaction very seriously. We have strategically levered up as a company to make strategic acquisitions like this one. You will see us delever very quickly given the cash flow dynamics of the combined company.

Antonio Casari: Thank you very much, but technically, from a technical perspective, how would you be able to actually allow current Worldpay lenders to rely on the combined business? Is it a merger, where Worldpay Finance is merged with something else, or is Vantiv becoming a guarantor for Worldpay Finance?

Philip Jansen: Worldpay Finance Plc., is the issue of €500 million denominated bonds in Worldpay and as a security package specific to the Worldpay asset. That business will, basically, not have any additional security injected into it and, obviously, it has a change of control clause in it which is clearly triggered by this transaction, and I think it will be for Stephanie and her team to work out what financing structure is appropriate and whether this instrument is actually retained or taken out, but I suspect it will not have additional security injected into it.

Antonio Casari: Okay, but from a reporting perspective, would you report on Worldpay separately and not combined?

Philip Jansen: Well, if the instrument survives then, yes, you would have to do that but that is a hypothetical question at this stage.

Antonio Casari: Yes, but on the other hand, it is quite difficult that considering the bonds are trading at \$1.11, anyone would put the bonds at \$1.01.

Philip Jansen: Yes, I think you have answered your own question.

Antonio Casari: Okay.

Ian Davey (Scorpio): Hi, good morning. Thanks for taking my question. Just a real quick follow-up from an earlier question. In terms of the actual approvals required for the transaction to close, you talk about HSR being needed, and then also later on, you talk about

CMA potentially being used as well. Could you just talk through, specifically, which antitrust approvals will be required in terms of the timeline from now till closure and Q1 next year? Thank you.

Philip Jansen: Yes, there is the CMA, there is a standard process that we need to go through and it falls well within the timeline that Charles had mentioned, but we have done a lot of work and we do not foresee any problems with the CMA.

Charles Drucker: Same thing for the HSR. We think for the US perspective, we have done work on that and we figure our ability to get that approved is very good.

Speaker: Yes, there are two sets of regulatory approvals that are needed. One is antitrust which the guys have covered, and obviously the other is the licensing under the FCA in the UK and obviously those processes just have to be gone through, but our advice is that we do not see any particular delays or barriers from those.

Antonio Casari: Right, in that case, why such a long time frame from now to close? I am just curious, if there is no perceived issues with any of those.

Speaker: We have to achieve shareholder approval on both sides of the Atlantic, which involves the proxy process in the US and the shareholder circular in the UK, which involves a combination of numbers that have to be put in to those, they have to be adjusted and audited, so there is a process to go through that, and therefore we would expect and are targeting to close towards the end of the year, or as Charles said in early Q1 2018, which I think, obviously, it depends on fast the process can go but I think that is a realistic time scale at this point, and we do not want to set unrealistic expectations.

Antonio Casari: Okay, so is your intention to receive the relative approvals prior to them seeking the shareholder votes?

Speaker: We could not go out with a shareholder vote without the approval so, yes, correct. Obviously, both processes are running parallel.

Antonio Casari: Thank you.

Charles Drucker: Listen, thank you very much for participating in the call today. To the extent you have any follow up questions for either the team here at Worldpay or the team at Vantiv, please reach out to Charles King or the Vantiv IR team based on our respective websites. Thank you very much.

[END OF TRANSCRIPT]

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EDITED TRANSCRIPT

VNTV - Q2 2017 Vantiv Inc Earnings and Vantiv and Worldpay Merger
Conference Call

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PRESENTATION

Operator

Thank you for standing by. And welcome to the Vantiv and Worldpay conference call. I must advise you that this call is being recorded today, August, 9, 2017.

I would now turn the conference over to Nathan Rozof, Head of Investor Relations at Vantiv.

Nathan A. Rozof - Vantiv, Inc. - SVP of IR

Thank you. Good morning, and good afternoon to those of you listening to us today from U.K. Thank you for joining us to discuss Vantiv's combination with Worldpay. Together, we will create a leading omnicommerce payments company. And the chief purpose of today's call is to discuss the strategic rationale and investment thesis for this transaction.

Please note that earlier today, Vantiv announced its second quarter of 2017 results and Worldpay announced its first half 2017 results, both of which we'll discuss briefly during this call. The press release, slide presentation and other materials describing our combination as well as each company's earnings release can be found on our respective corporate websites.

I would also direct your attention to the safe harbor statement and other required statements on Page 2 of our presentation. Throughout this conference call, we will be presenting non-GAAP and pro forma financial information, including net revenue, adjusted EBITDA, pro forma adjusted net income and pro forma adjusted net income per share. These are important financial performance measures for the company, but are not financial measures as defined by GAAP. Reconciliations of our non-GAAP pro forma financial information to the GAAP financial information appear in today's press release.

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Finally, before we begin our formal remarks, I need to remind everyone that our discussion today will include forward-looking statements. These forward-looking statements are not guarantees of future performance. And therefore, you should not put undue reliance upon them. These statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from what we expect. Please refer to the forward-looking statement disclosure in today's earnings release and in our periodic filings with the U.S. Securities and Exchange Commission. Additional details concerning our business risks and the factors that could cause actual results to materially deviate from our forward-looking statements can be found in our annual report on Form 10-K under the headings, Risk Factors and MD&A, and in other filings with the SEC, which are available at sec.gov. Furthermore, this call and presentation may be deemed to be solicitation material in respect of the transaction and we urge our investors to read the Proxy Statement and other relevant documents filed or to be filed with the SEC, including information regarding persons who may be deemed participants in this presentation.

Turning to Slide 3. Let me summarize the structure of this transaction. The transaction will create a company with an enterprise value of GBP 22.2 billion or \$28.8 billion. It contemplates a premium of approximately 34% for Worldpay's 6 months volume weighted average price and ascribes Worldpay an enterprise value of approximately GBP 9.3 billion or \$12 billion. Worldpay shareholders will receive 55p in cash and 0.0672 new Vantiv shares for each share of Worldpay stock they own. Vantiv is offering a mix and match facility, and Worldpay shareholders will be entitled to 0.8p interim dividend and a 4.2p closing dividend.

On Tuesday, Vantiv announced its buyback of \$19.8 million Vantiv shares from Fifth Third Bank. Fifth Third is a strong partner as well as our largest client. We have a deep and strategic relationship that works in many years in the future, and we are grateful for their support. In order to enhance the transaction by increasing accretion to reduce — and to reduce potential regulatory risk, we jointly decided to execute this \$1.27 billion share repurchase that will reduce Fifth Third's position to 4.9% of the new combined company. Vantiv shareholders will own approximately 57% and Worldpay shareholders approximately 43% of the new company, which will be called Worldpay. The company will be listed on the New York Stock Exchange and will have a secondary listing on the London Stock Exchange. Cincinnati, Ohio, will become the combined company's global and corporate headquarters, and London will become its international headquarters.

Charles Drucker will serve as our combined company's Executive Chairman and co-CEO; Philip Jensen will serve as our co-CEO; and Stephanie Ferris will serve as CFO, both reporting to Charles. The combined company will have a 13 person Board, comprising 8 Vantiv designated and 5 Worldpay designated directors.

As shown on Slide 4, today's call will feature Vantiv Chief Executive Officer, Charles Drucker; and Worldpay Chief Executive Officer, Philip Jansen; as well as Vantiv Chief Financial Officer, Stephanie Ferris; and Worldpay Chief Financial Officer, Rick Medlock.

I will now turn the call over to Charles Drucker, who'll begin his remarks on Slide 5. Charles?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Thank you, Nate. Philip and I wanted to say, we're delighted to be talking to everybody today. This is a powerful combination that is strategically compelling for both companies. It joins 2 highly complementary businesses and will allow us to achieve more together than either of us could do on our own. That business will have multiple opportunities to deliver growth. First, the combination will create a global eCommerce leader. ECommerce is growing twice as fast as the overall payment market and that company will have unparalleled scale, a comprehensive suite of solutions and a worldwide reach to be a global partner of choice. Second, we will expand into high-growth markets in order to benefit from the secular growth in electronic payments across international geographies, high-growth verticals and new client segments. Third, that combined company will have the capacity to deliver innovation at scale. Scale is an asset in industry and so was the ability to innovate. What's uncommon is having the combination of both. We'll have the size and capabilities to deploy advanced payment technologies in ways that are more nimble and more cost effective, further differentiating us from our peers. Finally, all 3 of these strategic benefits are enhanced by a significant cost synergies. We anticipate that this transaction will achieve annual reoccurring pretax cost synergies of approximately \$200 million by the end of year 3 after closing.

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Turning to Slide 6. We've all seen the impact of technology. Consumers worldwide now expect to transact using all form factors across all channels and to do it simply and seamlessly in a way that are fast and secure. Across the world, merchants are rising to meet these expectations, integrating both their physical and online presence as well as their payment systems. Merchants need a more global strategic partner to help them tackle this complexity. Together, our combined company will meet that challenge by providing them with simplicity and innovation. We'll be the global one-stop shop offering scalability and reliability solutions that provide customers with always on omnicommerce payment capabilities. In particular, that company will be well positioned for success in eCommerce, the fastest growing part of the payments industry. As noted on this slide, eCommerce is projected to double by 2020, driven by connectivity, mobility and cross-border. Rapid growth in eCommerce creates an exciting opportunity for our combined company.

As shown on Slide 7, our new company will be positioned for success in the fast-growing, but fragmented market. Vantiv's robust U.S. eCommerce and omnichannel offering provides leading capabilities to domestic merchants. Worldpay international online and multicurrency payment offering serves the world's largest eCommerce merchants outside of the U.S. Together, we create a unique and powerful global eCommerce player. That company will have the scale and a leading global position, enabling us to offer a genuinely worldwide solution, with strengths across both the U.S. and international markets. We will have the ability to support more than 300 different payment methods across 146 countries and 126 currencies. Our integrated technology platform will enable us to offer differentiated products, including data and analytics and value-added services.

That combination creates an unrivaled client value proposition. We'll be a one-stop shop for global merchants omnicommerce needs, cutting through complexity and enable them to enter markets easily and seamlessly. We'll offer merchants a unified global look of the data across their physical, online and mobile channels. Our combined capabilities will create significant cross-selling opportunities. We will offer international capabilities to Vantiv's existing U.S. clients. We will help Worldpay's non-U.S. clients penetrate the U.S. and provide attractive solutions encompassing multicurrencies and payment options to global clients searching for a strategic partner.

So now I'd like to turn the call over to Philip to explain a little bit more.

Philip E. R. Jansen - WorldPay Limited - CEO & Director

Thank you, Charles. Good morning, everyone. Turning to Slide 8. Vantiv has pioneered the expansion of integrated payments in the U.S. and is now an established leader in this market segment. By working with developers to embed payments into integrated point-of-sale software, Vantiv has built a compelling solution that is particularly attractive in the SMB market. We expect the increasing adoption of integrated payments among SMBs to continue to contribute to Vantiv's strong growth in the U.S.

In addition, however, we see growth opportunities from combining Vantiv with Worldpay. First, we will be more able to easily access and follow Vantiv's U.S. integrated payment clients and partners as they expand overseas. Second, we see significant opportunities in the U.K. with our existing 250,000 SMBs as well as with new customers, as demand for Integrated Payments takes off. And finally, we see an opportunity to use our expertise as a springboard to expand into other markets as Integrated Payments gain more traction across the world.

As shown on Slide 9, Worldpay and Vantiv have both developed differentiated expertise in vertical markets. We both succeeded by creating products and solutions that are highly specialized and reflect a deep knowledge of each industry. Because these solutions are embedded in their respective industry ecosystems, they've produced strong recurring revenue and are also difficult to dislodge. We tried to expand our vertical expertise, particularly in high-growth verticals. We expect B2B, health care and digital, in which Vantiv and Worldpay, respectively, have already made significant investments. We'll continue to benefit from increasing card adoption, creating sectors with strong and sustainable secular growth.

Looking at Slide 10. Our extremely competitive position in the world's 2 largest and most developed payments markets plus our reach into 146 countries will create a truly global platform for international expansion. What excites us even more on the opportunities to expand into other geographies that Worldpay is just beginning to tap. Latin America and Asia-Pacific offer outstanding growth potential. We are already active in these markets, offering eCommerce solutions to global merchants. We plan to build our presence and go domestic over time in many of these markets, expanding our global revenue base. Emerging markets are expected to drive 75% of all global card volume growth over the next 10 years. Together, Worldpay and Vantiv can leverage our position as a leader in the deepest and most attractive global markets as a platform to capture this growth.

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As Charles mentioned earlier at the begin of this presentation, the combined company will have the unique capacity to deliver innovation at scale. As shown on Slide 11, our combined company will be the leading global merchant acquirer, possessing more than \$1.5 trillion in volume each year with one of the lowest, if not, the lowest cost structure. We'll have the unmatched scale to support hundreds of thousands of merchants around the world. We should be clear here, size and scale are not the same things. Our combined company will not nearly be large. Our new company will benefit from the differentiated solution set created by Vantiv's agile, integrated and scalable U.S. platform and Worldpay's next-generation secure and flexible global technology. Worldpay is just coming to the end of a significant multiyear CapEx investment program, and the combined company will benefit from its enhanced technology platform. Both companies have built their systems to expect payments in any form as well as to support the integration of physical, online and mobile commerce solutions. Together, this new company will have a very powerful platform for growth.

These capabilities combined with their willingness to confidently adapt and integrate new innovations, position us to serve as merchants single-point eCommerce and omnicommerce solution, making us a global partner of choice for merchants, developers and disruptors worldwide.

Looking at Slide 12. Joining our companies will create an unmatched integrated technology platform. We'll have a robust competitive position ranked #1 in the U.S., #1 in the U.K. and #1 globally. Vantiv is today the #1 U.S. payments company with the leading position in both total and embedded transaction. Worldpay is the U.K.'s #1 payments company and the #1 international payments provider with extensive multicurrency and alternative payments capabilities. Combined, this new company will be the leading strategic partner for merchants. Vantiv has industry leading capabilities in Integrated Payments, and Worldpay is a leader in international eCommerce. Together, we'll be a global omnicommerce leader able to support merchants' integrated online, offline and mobile transactions. As I said earlier, both organizations have deep expertise in vertical markets. We will create new solutions that enable us to penetrate high-growth verticals, while deepening our presence in the sectors where we already operate.

Quite simply our scale, our highly complementary expertise and our technology will enable us to innovate and serve our clients as never before, better and faster than even Worldpay or Vantiv could do alone.

Now let me pass the call to Stephanie Ferris.

Stephanie Ferris - Vantiv, Inc. - CFO

Thank you, Philip, and good morning, everyone. On Slide 13, we've shared some figures to size our business on a pro forma basis for the full year of 2016. All of these amounts are before synergies. On a combined base of over \$1.5 trillion of sales volume across 40 billion transactions, we would have generated net revenue of \$3.2 billion in 2016. We also would have generated \$1.5 billion in adjusted EBITDA, with an industry-leading 48% pro forma adjusted EBITDA margin. And given Worldpay's recent technology investments, this high-level profitability would still have room for further margin expansion. Our combined company would have generated \$1.2 billion of free cash flow, representing nearly 80% conversion of adjusted EBITDA, which again, includes Worldpay's substantial CapEx investments in 2016.

Looking ahead, you will see on Slide 14, that this transaction will increase our ability to grow revenue, including cross-sell opportunities and expansion into new high-growth markets, as Charles and Philip have both previously discussed. We also anticipate realizing approximately \$200 million of annual recurring pretax cost synergies by the end of year 3, following the close of the transaction. Most of these will come from harmonizing our combined company's U.S. platforms and from streamlining corporate costs. We project earnings accretion to our existing and new shareholders beginning in 2019 and expanding thereafter. In addition, both our businesses have a strong credit profile, giving us ample potential to delever in the near-term, similar to what we have in the past. We are targeting our 4x debt-to-EBITDA leverage ratio over the 12 to 18 months post closing of the transaction.

Turning to Slide 15. Our combined company will have a powerful business model and a compelling financial profile. Our business model features a high proportion of recurring revenue from a sticky customer base that enjoys minimal client concentration. In addition, we will expect that the tremendous expansion in payments in the U.S., the U.K. and globally will continue to drive robust organic growth. Our highly competitive cost of processing as well as our ability to expand margins due to our scalable technology positions us to be able to drive continued earnings growth.

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Now I'd like to briefly review Vantiv's 2017 second quarter results and our outlook for both the third quarter and the full year 2017. We are pleased to report another solid quarter with net revenue increasing 10% to \$530 million and pro forma adjusted net income per share increasing 19% to \$0.83. Merchant Services net revenue increased 16% to \$449 million, primarily due to a 10% increase in transactions and a 5% increase in net revenue per transaction. On an organic basis, our Merchant Services net revenue grew low-double digits. Financial Institution Services net revenue decreased 13% to \$81 million, primarily due to the decommissioning of a major client, the remaining effects from the Fifth Third Bank contract renewal and lapping the contribution from EMV card reissuance and fraud-related services in the prior year period.

Turning to Slide 17. You will see Vantiv is increasing our full year 2017 guidance. Reflecting strong first half performance, we tightened the low-end of our net revenue expectation, which is now \$2.1 billion to \$2.12 billion, representing net revenue growth of 10% to 11% above the prior year. We have also raised our full year pro forma adjusted net income per share range to \$3.31 to \$3.36, primarily due to the share repurchase that we announced yesterday. In addition, we are providing guidance for the third quarter. We expect third quarter net revenue to be \$544 million to \$554 million, representing an increase of 11% to 13% over the prior year period, and pro forma adjusted net income per share is expected to be \$0.88 to \$0.90. Our guidance, of course, does not reflect any impact from the transaction with Worldpay.

Now I'd like to pass the call over to Rick.

C. Richard K. Medlock - *WorldPay Limited - CFO & Director*

Thanks, Stephanie, and good morning, good afternoon, everyone. Worldpay had a strong first half. And I think we've made great progress across the business. And we've delivered a robust financial performance. I think that's especially given the tough comparative from the exceptional growth that we saw in the first half of 2016. The further acceleration in the pace of our technology development, our innovation and our new products is delivering better outcomes for our merchants. And as we planned, we are successfully migrating customers onto our new acquiring platform, a key element of our technology, which will enable us to compete sustainably and effectively on a global scale. And we're strengthening our customer relationships across all divisions and expanding our global capabilities and market reach with a focus on key growth markets such as Latin America and Asia Pacific. Our confidence remains high, and this is reflected in our medium-term revenue growth guidance, which is unchanged.

Slide 19 shows, we've continued to make very good progress across all our KPIs. Transaction growth in terms of value is at 11%. That drove net revenue also up 11% and after strong performance against the 16% growth in the first half of last year. Underlying EBITDA was up 14% with margin increasing by 80 basis points ahead of expectations. And finally, we generated GBP 60 million of free cash flow and that's a good performance given the headwind of over GBP 50 million from higher tax payments and increased CapEx investment.

If I now look at divisional performance on Slide 20, global eComs delivered net revenue growth of 17% and underlying EBITDA, up 20%. And even with the benefit from some currency translation, this is a great performance, given the 25% growth that we recorded in the first half of last year. We saw good momentum right across eCom. And we're now really starting to see the benefit of the investments that we've made in our reaching capabilities. These are driving growth in regions such as Asia-Pacific and Latin America, where we're growing at a rate that's a multiple of overall eCom growth. The U.K. has made good progress on our strategy to deliver more value for merchants. Net revenue growth was 2%, which reflected a demanding comparative from the first half of 2016, year-on-year increases in scheme fees and a deceleration in U.K. consumer spending towards the end of the half. We are expecting to deliver strong net revenue growth in the second half of the year, driven by changes in sales strategy, pricing and take-up of value-added products and services. Finally, we're continuing to make progress on the repositioning of our U.S. business. There are positive signs across a broad front in terms of operations, customer service and products. Although, it's taking a little longer than we would like for this progress to be reflected in the U.S. financial performance, we continue to manage costs quite tightly, and so underlying EBITDA was stronger, growing going 12% on a constant-currency basis.

And with that, I'll hand back to Charles.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

So thank you, Rick. So to summarize on Slide 21, this is a powerful combination that is compelling for both companies. It creates an unmatched global eCommerce leader, with the #1 share in the world's 2 largest and most developed payment markets and the #1 share worldwide. It extends our presence in the high-growth markets, and it creates a combination of scale, distribution and technology that provides significant competitive advantages, which will enable us to create disruptive innovation worldwide.

Concluding on Page 20 — Slide 22, as I look at the competitive landscape and see where we'll be positioned, I'm very excited of where we're going. This combination will enable us to lead competition and to create the future of payments.

So before I open it up to the operators, I want to take just a moment to reach out and thank our employees of both companies, Philip and I have talked about this, that we want to thank our employees. They look after our clients every day. They wake up and they take care of our clients needs. If not for them, we would not have been in this position to put these great companies together. So thank you for what you do every day for our clients and making both our companies great.

So operator, please open the lines and let's take some questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And your first question today comes from David Koning of Baird.

David John Koning - *Robert W. Baird & Co. Incorporated, Research Division - Associate Director of Research and Senior Research Analyst*

Congrats. This is really exciting.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Thank you, David.

Stephanie Ferris - *Vantiv, Inc. - CFO*

Thank you.

David John Koning - *Robert W. Baird & Co. Incorporated, Research Division - Associate Director of Research and Senior Research Analyst*

Yes. And I guess, first of all, I was just wondering you talked about synergies which seem pretty massive. And I was wondering maybe if you could talk a little bit about the timing of year 1, 2 and 3? Is it pretty well staged each year getting up to that \$200 million by the end of the year 3?

Stephanie Ferris - *Vantiv, Inc. - CFO*

Yes. So I think, we — I'll start and then maybe Charles can — and Philip can follow-up, I guess. So we laid up the synergies of about \$200 million, expecting, like we said, the majority of those to come through the harmonization of our U.S. platform as well as some duplicative corporate cost coming through. We do feel very comfortable with the timing that we've laid out. That being said, we haven't started all the detailed integration work, which as you know, we have a lot of experience doing. And so we feel pretty good about the timing, but don't [harness] it to a dollar for dollar, because we are just starting to do the integration work.

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Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

And I'd say, we have good track record of delivering on the synergies. So these are things that we've done as both the companies together before.

David John Koning - *Robert W. Baird & Co. Incorporated, Research Division - Associate Director of Research and Senior Research Analyst*

Great. Okay. And then I guess, just one other one. On the core business, I mean, it's pretty exciting that Vantiv's standalone accelerated in merchant. And maybe just a little commentary on how big-box shaped up for you this quarter. It seems like maybe that got a little better. And then, on the Paymetric acquisition, I think that's in the guidance now? Maybe those 2 things.

Stephanie Ferris - *Vantiv, Inc. - CFO*

Yes, absolutely. So — yes, so we were pretty pleased with the quarter's performance. It came in slightly above the top end up our guide. We did close Paymetric at the end of May. So it came in with very immaterial in terms of the quarter. We do have it reflected in the guide now. And so it is fully in, and we're working on that integration now. As far as big-box retailers, so same-store sales growth, we saw get modestly better, but transparently, not significantly better than we had seen in the first quarter. So our expectations continue to be in line with where we came in the second quarter, and we were too pleased with the results.

Operator

Your next question today comes from Josh Beck of KeyBanc.

Josh J. Beck - *KeyBanc Capital Markets Inc., Research Division - Senior Research Analyst*

I wanted to ask about the revenue synergies. So when you think about the potential to gain share in U.S. eCommerce or Integrated Payments globally, are those important categories? Or are there other ones that you would point to when we think about top line synergies?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

I'll take that. I think the key is, when we look at the Vantiv portfolio and as we go after the eCommerce market, we have had a lot of good success. However, where we have not had the success is, when a company has locations outside of the world, and then they might split the volume. Having the reach that Worldpay will have will allow, one, our existing clients us to be able to capture the other side of it and vice versa with Worldpay coming to the U.S. But I'm actually more excited about that market is continuing to grow, and we're going to have a set of product features, functions and reach that we think is going to differentiate us. The data across that we can use to help them improve their authorization rates, their revenue uptake, I think, is going to stand us apart.

Josh J. Beck - *KeyBanc Capital Markets Inc., Research Division - Senior Research Analyst*

Great. And how should we think about the evolution of the technology platforms. Clearly, Worldpay has a very modern new platform. Vantiv is a highly efficient operator. Over time, do you see this company having multiple platforms? Any color you can share on the long-term vision for the tech platform would be great.

Charles D. Drucker - Vantiv, Inc. - CEO, President and Director

So it's still — and I think you stated it right, it's still really early stage right now. But the thought process is, we'll have a consolidated U.S. platform, we'll have an international platform, and we'll put more like a bridge in between, where our customers get a consolidated view. So from the customers perspective, they'll all be consolidated view. And then, we're going to look at the efficiencies across the platform of where they're at. Now we're in the early stages and that could change. We have different views. But right now, we're thinking that, we're going to have different front doors coming in, but 2 consolidated platforms.

Operator

Your next question comes from Ashwin Shirvaikar from Citi.

Ashwin Vasant Shirvaikar - Citigroup Inc, Research Division - Director and U.S. Computer and Business Services Analyst

Congratulations, everyone, for the deal. My question is, I want to start out asking about revenues. You obviously, started out and mentioned the possible revenue synergies. I was wondering if you could maybe take a shot at sizing some of the opportunity in terms of, for example, on the Vantiv side, what portion of your client base can use some of the Worldpay capabilities and conversely on the other side the same question?

Nathan A. Rozof - Vantiv, Inc. - SVP of IR

Ashwin, it's Nate. So unfortunately, we cannot size revenue synergies. I think we'll have more detail around those as we get the transaction closed, and we move into '18 and start providing combined company guidance. But I think that, the team here described the sources we see the greatest opportunities, particularly in eCommerce as well as opportunities in Integrated Payments and expanding into other high-growth markets.

Charles D. Drucker - Vantiv, Inc. - CEO, President and Director

So you saw we sent Nathan on here — on the corner. Look, personally — and I'll jump it over to Philip in a second, we're very excited about the opportunity. But it really is too early. And our view is more of a long-term type of basis and be able to have the sustained growth.

Philip E. R. Jansen - WorldPay Limited - CEO & Director

The only thing I'd say, I think in terms of the rationale for the deal, I mean, the costs synergies speak for themselves, but actually, it's all about growth. This is medium to long-term growth, and it's behind the 3 things, I think, Charles has mentioned and we mentioned in the presentation, it's scale, it's innovation, it's geographical reach. So those things combined will help us sustain the growth rates above market, which is our long-term aim.

Ashwin Vasant Shirvaikar - Citigroup Inc, Research Division - Director and U.S. Computer and Business Services Analyst

Got it. And then the follow-up question is with regards to as we think a little bit more near-term about 2018, how would you characterize the — sort of the dilution as a result of the investments you're making on harmonizing and so on so forth? And what is the related tax rate that we should use in order to model this correctly?

Stephanie Ferris - Vantiv, Inc. - CFO

Yes, so I think we would expect modest dilution in 2018, as part of the combination, returning to positive accretion in 2019, as we stated. From a tax rate standpoint, not yet giving guidance on that, obviously, some more work to do there. We didn't do this deal for a tax benefit, so it'd be the one thing I would say. So more to come there, Ashwin.

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Operator

The next question comes from Georgios Mihalos from Cowen.

Georgios Mihalos - Cowen and Company, LLC, Research Division - Director and Senior Research Analyst

So I guess, the first question that I'd like to ask is, I guess, mostly for Philip and Rick here. As you think about the growth that you've seen Worldpay deliver again, double-digit growth now over the first half of the year. Given some of the things coming on in Europe, whether it'd be PSD2 or Brexit, how are you thinking about the growth profile of the Worldpay stand-alone business sort of going forward?

Philip E. R. Jansen - WorldPay Limited - CEO & Director

Yes, I'll go first, and Rick can chip in. I think nothing's really changed in terms of our outlook. And I think, we being consistent from the time of the IPO in terms of our medium-term guidance, so nothing's changed on that front. I think we'll recognize with regard to Brexit, there is a potential economic slowdown at the macro level, which will impact our business. So we're very resilient, but we're not totally immune from that. And I think all our calculations going forward we've assumed a pretty conservative scenario for the future for that point of view. So I don't think it's material at all on our numbers and that's certainly, our plans in the future to take that into account. And again, I think, if you look at our results today, we're 14% up on EBITDA, I guess, a very strong first half in 2016. I think we're pretty encouraged by these results. We can't talk about future, but I think, hopefully, the future, you can take some comfort by looking at the history of what we've done over the last 7 years.

C. Richard K. Medlock - WorldPay Limited - CFO & Director

Yes. And I mean, I'd just add to that. I mean, Worldpay doesn't give specific 1 year guidance. Our medium-term growth targets are unchanged and that is to grow our net revenues over the medium-term period. The guidance we gave at IPO was 9% to 11%. And we still believe that's consistent and achievable over that period.

Philip E. R. Jansen - WorldPay Limited - CEO & Director

George, you asked one specific question on PSD2, which is a good one. I think, as times gone by, I think there is a lot of progress been made on 2 fronts. One is actually what it means. So what is PSD2 going to mean for the marketplace? What are the kind of propositions that might come about as a result of the change in the regulatory regime in Europe? So that's the first thing. And the second thing, I think our thinking also developed quite considerably over the last 6 months. And I think, we have a stronger view that the balance of opportunities versus risk is very much awaited in the opportunity side. So there is a lot of work to be done on that front, but we feel pretty optimistic that we can develop some new propositions that will hit the market in a very exciting way.

Georgios Mihalos - Cowen and Company, LLC, Research Division - Director and Senior Research Analyst

Great. Appreciate that color. And just as a quick follow-up. As it relates to eCom and the platform there and the strong growth that Worldpay is seeing. Charles, when you think about now having access to that platform, is it really that you're getting a lot more scale on the eCom side? Or is there also some additional technology that now comes to the forefront with Worldpay — with — at Vantiv that may help you compete against some of the more nontraditional digital payment players?

Charles D. Drucker - Vantiv, Inc. - CEO, President and Director

Yes, I think, it's a combination. I think the most excitement is, the reach to all the various currencies and the schemes over 300 payment types is a real differentiator for us. I think actually combining how we go-to-market around helping our clients improve their revenue stream auth rates and — is going to even be more powerful. And we have a couple of other things that they have and we have that develop together. I think we'll continue to leap progress ahead.

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Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

The only thing I would add to that. I mean, just — I know it's obvious but I'm going to repeat it. I mean the fit of these 2 businesses, I mean, is extraordinarily strong. We are #9 in the U.S., and Vantiv #1 in the U.S. And so just combining us there, it's satisfactory. And everywhere else around the world and we go to our customers, where typically while we're always #1. So I mean just those 2 things kind of means that we can bring bear to the benefits of both organizations quickly to the respective parts that we didn't previously cover in such a compelling fashion.

Operator

Your next question comes from Jeff Cantwell of Guggenheim.

Jeffrey Brian Cantwell - *Guggenheim Securities, LLC, Research Division - VP and Analyst*

With regards to the combining of Worldpay's eCom platform and Vantiv's eCom platform, can you just remind us what those revenues are on a combined basis right now? Essentially, I just want to understand what percentage of your total revenue basis coming from eCom? And then, how fast would that combined revenue base be growing? Just trying to develop a reasonable set of expectations for the combined eCom business.

Nathan A. Rozof - *Vantiv, Inc. - SVP of IR*

Yes, so this is Nate. So we obviously don't break out Vantiv's U.S. eCom revenue, but the trends there have been consistently strong with mid-single digit — or I'm sorry, mid-teens.

Stephanie Ferris - *Vantiv, Inc. - CFO*

Yes.

Nathan A. Rozof - *Vantiv, Inc. - SVP of IR*

Mid-teens, well, my apologies, on that revenue growth. But I'll hand it over to the Worldpay guys, who'll obviously provide a lot more disclosure around the strength of the their eCom business, and they can talk about the trends there.

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Yes. All I'd say, you could see our numbers. I think, we're particularly pleased with the first half eCom numbers. I mean, 17% up on net revenue, 20% up on EBITDA, against an incredibly strong first half in 2016, is a really strong result, so — and we're pleased with that. As Rick as said previously in terms of our guidance, we maintain the guidance that we have always stuck to. Rick, do you want to add anything to that?

C. Richard K. Medlock - *WorldPay Limited - CFO & Director*

No. Just to give the numbers, I mean, obviously, we do — we break out our eCom business as one of our business units in reporting segments. It did GBP 221 million worth of revenue in the first half, as Philip said, up 17%. So I'll give some elements of the scale of it.

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Jeffrey Brian Cantwell - *Guggenheim Securities, LLC, Research Division - VP and Analyst*

Okay. Appreciate that. And then just on the tax rate, I just want to clarify one thing. Is there anything else we should be aware of? I'm curious, as to whether there is a possibility of an inversion once the companies are being combined?

Stephanie Ferris - *Vantiv, Inc. - CFO*

Yes — but no, there'll be no inversion.

Operator

The next question comes from Craig Mauer of Autonomous.

Craig Jared Maurer - *Autonomous Research LLP - Partner, Payments and Financial Technology*

You talked a lot during the formal remarks about the ability to push IPOS globally. What's the lead time do you think to get Mercury's platform prepared for global expansion?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Yes. So I think from us first of all is getting transaction closed and then putting a road map together. But I think there is a lot of opportunities from existing clients and developers that are on our integrated platform today that are quite frankly looking to reach into other countries. So I think there is an opportunity. I think, the markets globally are a little bit different and the uptake will be probably not as fast as mature, where the U.S. is. But I think it's going to be a tremendous and has a long tail opportunity across the world.

Craig Jared Maurer - *Autonomous Research LLP - Partner, Payments and Financial Technology*

Just a follow-up. You talked about LatAm as a big future opportunity. There is a lot of disruption right now in the Brazilian market. Do you think you can move fast enough to take advantage of that and achieve some of the growth rates that others in the market are seeing right now as new entrants?

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Well, the short answer is, yes. But I mean, you are right, it's complicated and not that straightforward in that marketplace. The reason I'd say, yes, really is, because you've actually got a pretty strong proposition there, we strengthened it recently, as I said in my comments earlier on, we've actually got a very small market share, which also helps, okay. So we're tiny in that market. So we've got actually great technology. We've got a low base, growing fast, and we got some fantastic clients. So we're growing with those guys will allow us to use those benchmarks to grow further. So again, it's the credibility we have of operating all around the world, which is helping us in Brazil and Argentina. And Ron, do you want — Rick, do you want to add anything?

C. Richard K. Medlock - *WorldPay Limited - CFO & Director*

I was simply going to say that up until now, Worldpay's presence in Brazil and Latin America has been gateway only. And now we are able to do acquiring, that's really the most recent development. So I think that's a really exciting opportunity.

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Operator

Your next question comes from Matthew Roswell from RBC.

Daniel Rock Perlin - RBC Capital Markets, LLC, Research Division - Analyst

This is actually, Dan. Can you hear me?

Charles D. Drucker - Vantiv, Inc. - CEO, President and Director

Yes.

Stephanie Ferris - Vantiv, Inc. - CFO

We can.

Daniel Rock Perlin - RBC Capital Markets, LLC, Research Division - Analyst

Great. So a couple questions. The revenue yields at Worldpay blended are like 25 basis points based on 2016 numbers, and your eCom are even higher. I guess, 2 things. One is, can you just help us understand the major differences between those and Vantiv's, which look to be about 17 basis points?

Stephanie Ferris - Vantiv, Inc. - CFO

I can probably take a shot at that.

Charles D. Drucker - Vantiv, Inc. - CEO, President and Director

You go, please.

Stephanie Ferris - Vantiv, Inc. - CFO

I think it's primarily the fact that we have so many large clients that are taking our yield to be a little bit lower than if you look at Worldpay. So I think it's just a matter of mix.

C. Richard K. Medlock - WorldPay Limited - CFO & Director

And also, the fact that we have the international component as well. And if you look at the eCom take rate, which is about 31 basis points, about half of that comes from acquiring, and then the other half of that comes from the ancillary services, foreign exchange, fraud and risk, gateway, alternative payment methods, which clearly, in Vantiv's case, you don't have foreign exchange compared in that.

Stephanie Ferris - Vantiv, Inc. - CFO

Right.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Right.

C. Richard K. Medlock - *WorldPay Limited - CFO & Director*

So that tends to boost us. I realized — and in terms of our U.K. business, which was all comparable with Vantiv's business, where we have a lot of large corporates there, who we are in very low take rates, so single-digit basis point margins up to the SME space, where we're at a 40, 50 basis points level.

Daniel Rock Perlin - *RBC Capital Markets, LLC, Research Division - Analyst*

Got it. And I know you're not prepared to kind of talk about the percentages of this concentric circle that comes together for you guys. But I got to believe that at some level the 17 basis points can merge closer to this 25 basis points over time as a blended number for revenue synergy purposes. I mean, is that a fair assumption to start with as we think about driving incremental top line?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

I would just say, we're looking forward to bringing some of the products and the reach that Worldpay has to our clients. So how that all comes together will — over time, we'll talk about. But basically bringing those extra features, the FX and other components that we think will be a positive effect for us.

Daniel Rock Perlin - *RBC Capital Markets, LLC, Research Division - Analyst*

Can I just ask a question on Brexit. And I think I know the answer, but I want to make sure. So the European platform is portable both in the U.K. and outside of U.K. post-Brexit? In other words, there's no incremental dollars that need to be put into the U.K. specifically from an acquiring perspective to have it kind of on soil?

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Yes. So today, Worldpay is licensed both in the U.K. and in Europe through the Central Bank. And we have a processing platform which the gateways go through both countries. And I think, we said previously that, the only potential increased investment may be that we would need to store transaction data outside of the U.K. within the EU, if that was a requirement. In which case, there would be some upgrading to data center capacity in the Netherlands, but other than that, pretty minor.

Daniel Rock Perlin - *RBC Capital Markets, LLC, Research Division - Analyst*

Okay. But you have the physical infrastructure, so it's just literally adding stacks?

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Yes. Correct. I mean, we — back in 2013, with the PSD1 Regulation, we already set up an operation in the Netherlands and processed a significant amount of transactional volume out of the Netherlands today. So that was already put up in place and done in 2013.

Daniel Rock Perlin - *RBC Capital Markets, LLC, Research Division - Analyst*

Excellent. And then just one last one for Stephanie. The Fifth Third transaction, can you just tell us what we should be using for the TRA benefit to the tax rate?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Sure. Actually, I'll take that one. I can help you with that. So we're expecting the tax adjustment line to step up to — bear with me, \$33 million for the last 2 quarters of the year.

Operator

Your next question comes from Joseph Foresi of Cantor Fitzgerald.

Joseph Dean Foresi - *Cantor Fitzgerald & Co., Research Division - Analyst*

I was wondering if you talk about some the challenges of going global. Maybe, you can talk about maybe the top 2 or 3. And any specific strategy in eCommerce? I'm sure it's going to get more crowded as the growth rates stay pretty aggressive in that area?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

I'd say the biggest thing that we have is to make sure that all our employees land well that we really — it's up to Philip, myself and our senior team to really explain the strategy in the mission, because I think, our employees are excited, but they take care of our clients every day. I would tell you that, when it comes to — it's an exciting space, but just like I talked about Integrated Payments, it's hard to do. It's hard to get all these countries. I mean, it takes years to get all these countries and it's difficult. So where everybody on a piece of paper and to create a strategy wants to put it down, the execution of it is, it takes a while and it's very difficult. So I think, our lead and combining us together gives us a lead in that. So even if people want to get into it, it's going to take them a while. And with the industry consolidating a little bit, I think, we're going to have an opportunity, have plans to grab share.

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

I might add to that. I think Charles and I have talked about this quite a lot. I think as Charles said, the issues are how we make our people feel comfortable with the new organization, because you got 2 different companies with 2 slightly different cultures. And bringing those together always needs great care and attention. And the good news is, we're very similar in lots of ways. So we have the same principle, the same philosophy, the same growth profile, actually. So I think that's the first one. The second one is, this company is going to be just much larger. By definition, more than double for us in terms of scope, that's pretty significant. And therefore, managing the complexity associated with that, comes back to the people that we have to lead in a certain way. So those are the issues. The one that's obvious, which I think we had a lot of questions on is, how do we answer the technology challenge of creating the right proposition step for our customers on the most efficient platform, now that we've got 2 companies coming together? So we got plenty of time. We have a plan for how we get the answers, but those are the issues as I see them.

But I think it's also just worth reminding people that today, Worldpay operates in over 150 countries and 126 currencies. And we support global customers today. And it's very hard for people to replicate that network and compete with us across-the-board. We built that capability over the last 20-odd years. And you need licenses in country, you need vertical market expertise and integrations, you got to have regulatory approvals, and clearly, you've got to have the feet on the ground in the networks and relationships. That network is available for Vantiv's existing customers to jump on the back of today. No one else can provide that globally. It is a unique capability. Other people have many different payment methods, other geographic companies, but no one has this broad base as Worldpay have.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

So I would say, to repeat that, 146 countries, 126 currencies, 300-plus payment types. I mean, that's what — that's a true scale is.

Joseph Dean Foresi - *Cantor Fitzgerald & Co., Research Division - Analyst*

Got it. And then just on the cost synergies. Any more thoughts on the cadences out across years? It sounds like it's going to be obviously accretive in '19 and then '18 would be obviously a little bit maybe dilutive. I just wanted — I don't want to get ahead of ourselves on the modeling side to where we start thinking about the cost synergies?

Stephanie Ferris - *Vantiv, Inc. - CFO*

Yes, I think, we laid out thoughts around the timing and the cost synergies in the 2.7 that we filed this morning. We didn't?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

No.

Stephanie Ferris - *Vantiv, Inc. - CFO*

Okay. I think we'll have to come back to you in terms of thoughts around timing, but we do feel really good about getting there by the end of 2020 in terms of the full \$200 million, but we probably need to give you some thoughts on how to think about the rollout.

Joseph Dean Foresi - *Cantor Fitzgerald & Co., Research Division - Analyst*

Okay. And then just lastly, on the combined entity, any thoughts on the reporting segments and the structure there? Obviously, we'd love to get the eCom specs?

Stephanie Ferris - *Vantiv, Inc. - CFO*

We may — no, not yet.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

She's going to be mad. She is not going to let us talk.

Stephanie Ferris - *Vantiv, Inc. - CFO*

Yes. Not yet, not yet. Still working on it.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

We're still developing it, yes.

Operator

The next question comes from Robert Napoli from William Blair.

Robert Paul Napoli - *William Blair & Company L.L.C., Research Division - Partner and Co-Group Head of Financial Services and Technology*

Vantiv has given out the mix of business between its high-growth verticals in the past. And I was wondering if you could update that based on the combined entity?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

We're not updating it for the combined entity. Our mix in terms of high growth channels is from the Vantiv stand-alone side, remains consistent. We've now actually seen our high-growth channels move up to just over half of our Merchant Services segment, net revenue, which we're really proud of. It demonstrates that, we've really transformed this business over the past few years, but we...

Stephanie Ferris - *Vantiv, Inc. - CFO*

And an update on the quarter, they continue to do really well above high-teens. So our high-growth channels from Vantiv cost stand-point continue as Nate said to be above 50% and continue to perform very well for us.

Robert Paul Napoli - *William Blair & Company L.L.C., Research Division - Partner and Co-Group Head of Financial Services and Technology*

And then, as part of your strategy as a combined entity, you talk about entering — adding new products in markets. What products are missing? Or do you think are opportunities for the combined entity and which markets do you feel like you are not in that you need to be bigger in or move into or become bigger in?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Well, like we talked about, we think Integrated Payments can travel the world, and we think that's a great opportunity. We think that in the U.S. actually, by having this reach, it's going to be even a lot more success with new business opportunities in the U.S. and also in different segments of the market where we've traditionally been in the higher-end in the eCom have the ability to come down lower and bring value propositions to them.

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Maybe I would add. I don't know what you know Worldpay, but our global eCommerce division that we've been talking about a little bit earlier on that that's where we've got all the large, fast-growing techie type companies online by definition. We have almost no — probably with tiny presence in the U.S. So that product set, we now get access to a product set in the U.S. that we can plug into our technology and a way we go for those customers. So we simply could not offer them anything in the domestic U.S. market.

Robert Paul Napoli - *William Blair & Company L.L.C., Research Division - Partner and Co-Group Head of Financial Services and Technology*

Great. And last quick question, the corporate headquarters in Cincinnati versus London that would have discussion the deal may not have happen if the corporate headquarters is in London. What was the final decision on where the global corporate headquarters was located? And does it — how much does it matter?

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Well, it's a very good question. So the world is getting a lot smaller and people are always traveling. But the corporate headquarters is in Cincinnati and international headquarters as we look to launch and be in other countries, it really makes sense having that in London. I mean, when you look at how the quality people that are out here in the U.K. and how they understand all the other countries, similar to how we understand the U.S. and working together. So this is going to be really good partnership.

Operator

And your final question today comes from David Togut of Evercore.

David Mark Togut - *Evercore ISI, Research Division - Senior MD and Fundamental Research Analyst*

Philip, could you comment on the evolving competitive landscape in Continental Europe for merchant acquiring? We've seen some of your competitors build out growing partnerships. Clearly, you came out of RBS. Paypal recently announced that they're going to issue Visa cards in Europe. How do you see the competitive landscape evolving in Continental Europe in particular? And how are you positioning the company to win in Continental Europe long term?

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Yes, it's a really good question. Thank you. You're right. In the European markets that they are pretty different looking across Germany, Italy, France, the Scandinavian region. There are different trends going on each of those markets as you rightly suggest. I think at the moment, as you know, we operate in the U.K. in the point-of-sale area and online, and then typically across the rest of Europe, we're in the online space mainly. So we're going to continue to drive that growth in the way that we described previously. But also look over a sort of 5-year time frame, how we can get into the maybe the SME market both the online and Integrated Payments using the Vantiv experience. So the thinking is along those lines. We'll always be focusing on the merchant side. So I don't anticipate us getting more into the consumer side or wallet side. So we understand that in the — around these markets, the local ACH tie is very important, and we'll be able to participate in that in the right way.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

And when Philip and I talked about. I mean, if you think about the 300-type of payment methods that they have to allow us to do where — we're going to transact how the merchant wants to transact, wherever their customer wants to transact. And we're going to be able to deliver that. And while we have very — this industry has very good competitors. They're all very good. We think putting the combination together will allow us to effectively compete, and we believe win more than half their share of market share.

David Mark Togut - *Evercore ISI, Research Division - Senior MD and Fundamental Research Analyst*

Understood. Just a quick final question for Stephanie. What's the blended cost of debt for the combined companies?

Stephanie Ferris - *Vantiv, Inc. - CFO*

The blended cost of debt for the combined company is going to be about 3.7%.

Charles D. Drucker - *Vantiv, Inc. - CEO, President and Director*

Okay. Well, thanks, everybody for joining the call. Obviously, we're very excited about the opportunity, and you'll hear more as we progress. Have a great day.

Stephanie Ferris - *Vantiv, Inc. - CFO*

Thank you.

Philip E. R. Jansen - *WorldPay Limited - CEO & Director*

Thank you.

Operator

That does conclude today's call. Thank you all for joining, and enjoy the rest of the day.

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