

SUPPLEMENTAL FINANCIAL DATA AND GAAP TO NON-GAAP RECONCILIATIONS

First Quarter 2017

May 2, 2017

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the Financial World



Fidelity National Information Services, Inc.
Earnings Release Supplemental Financial Information
May 2, 2017

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| Exhibit A | Condensed Consolidated Statements of Earnings - Unaudited for the three months ended March 31, 2017 and 2016 |
| Exhibit B | Condensed Consolidated Balance Sheets - Unaudited as of March 31, 2017 and December 31, 2016 |
| Exhibit C | Condensed Consolidated Statements of Cash Flows - Unaudited for the three months ended March 31, 2017 and 2016 |
| Exhibit D | Supplemental Non-GAAP Financial Information - Unaudited for the three months ended March 31, 2017 and 2016 |
| Exhibit E | Supplemental GAAP to Non-GAAP Reconciliation - Unaudited for the three months ended March 31, 2017 and 2016 |

FIDELITY NATIONAL INFORMATION SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS — UNAUDITED
(In millions, except per share data)

Exhibit A

	Three months ended March 31,	
	2017	2016
Processing and services revenues	\$ 2,255	\$ 2,181
Cost of revenues	1,582	1,553
Gross profit	673	628
Selling, general and administrative expenses	413	444
Operating income	260	184
Other income (expense):		
Interest expense, net	(93)	(93)
Other income (expense), net	56	(1)
Total other income (expense), net	(37)	(94)
Earnings from continuing operations before income taxes	223	90
Provision for income taxes	79	31
Earnings from continuing operations, net of tax	144	59
Earnings (loss) from discontinued operations, net of tax	—	—
Net earnings	144	59
Net earnings attributable to noncontrolling interest	(6)	(4)
Net earnings attributable to FIS common stockholders	\$ 138	\$ 55
Net earnings per share-basic from continuing operations attributable to FIS common stockholders	\$ 0.42	\$ 0.17
Net earnings (loss) per share-basic from discontinued operations attributable to FIS common stockholders	—	—
Net earnings per share-basic attributable to FIS common stockholders	\$ 0.42	\$ 0.17
Weighted average shares outstanding-basic	328	324
Net earnings per share-diluted from continuing operations attributable to FIS common stockholders	\$ 0.41	\$ 0.17
Net earnings (loss) per share-diluted from discontinued operations attributable to FIS common stockholders	—	—
Net earnings per share-diluted attributable to FIS common stockholders	\$ 0.41	\$ 0.17
Weighted average shares outstanding-diluted	333	327
Amounts attributable to FIS common stockholders:		
Net earnings from continuing operations	\$ 138	\$ 55
Net earnings (loss) from discontinued operations	—	—
Net earnings attributable to FIS common stockholders	\$ 138	\$ 55

Amounts in table may not sum due to rounding.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS — UNAUDITED
(In millions, except per share data)

Exhibit B

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 705	\$ 683
Settlement deposits	507	520
Trade receivables, net	1,596	1,639
Settlement receivables	267	175
Other receivables	58	65
Prepaid expenses and other current assets	276	236
Deferred income taxes	—	101
Assets held for sale	—	863
Total current assets	3,409	4,282
Property and equipment, net	610	626
Goodwill	14,184	14,178
Intangible assets, net	4,498	4,664
Computer software, net	1,682	1,608
Deferred contract costs, net	325	310
Other noncurrent assets	378	363
Total assets	\$ 25,086	\$ 26,031
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,269	\$ 1,146
Settlement payables	758	714
Deferred revenues	760	680
Current portion of long-term debt	351	332
Liabilities held for sale	—	279
Total current liabilities	3,138	3,151
Long-term debt, excluding current portion	9,154	10,146
Deferred income taxes	2,389	2,484
Deferred revenues	21	19
Other long-term liabilities	394	386
Total liabilities	15,096	16,186
Equity:		
FIS stockholders' equity:		
Preferred stock \$0.01 par value	—	—
Common stock \$0.01 par value	4	4
Additional paid in capital	10,419	10,380
Retained earnings	3,341	3,299
Accumulated other comprehensive earnings (loss)	(298)	(331)
Treasury stock, at cost	(3,588)	(3,611)
Total FIS stockholders' equity	9,878	9,741
Noncontrolling interest	112	104
Total equity	9,990	9,845
Total liabilities and equity	\$ 25,086	\$ 26,031

FIDELITY NATIONAL INFORMATION SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — UNAUDITED
(In millions)

Exhibit C

	Three months ended March 31,	
	2017	2016
Cash flows from operating activities:		
Net earnings	\$ 144	\$ 59
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	339	293
Amortization of debt issue costs	12	5
Gain on sale of business	(85)	—
Stock-based compensation	26	30
Deferred income taxes	(150)	(64)
Excess income tax benefit from exercise of stock options	—	(8)
Other operating activities, net	—	(1)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade receivables	67	21
Settlement activity	(36)	(20)
Prepaid expenses and other assets	(50)	(51)
Deferred contract costs	(37)	(17)
Deferred revenue	77	165
Accounts payable, accrued liabilities and other liabilities	147	(27)
Net cash provided by operating activities	454	385
Cash flows from investing activities:		
Additions to property and equipment	(44)	(34)
Additions to computer software	(111)	(111)
Proceeds from sale of business	827	—
Other investing activities, net	(1)	(1)
Net cash provided by (used in) investing activities	671	(146)
Cash flows from financing activities:		
Borrowings	1,381	1,639
Repayment of borrowings and capital lease obligations	(2,443)	(1,791)
Excess income tax benefit from exercise of stock options	—	8
Proceeds from exercise of stock options	64	26
Treasury stock activity	(17)	(18)
Dividends paid	(95)	(85)
Other financing activities, net	(4)	(18)
Net cash used in financing activities	(1,114)	(239)
Effect of foreign currency exchange rate changes on cash	11	20
Net increase in cash and cash equivalents	22	20
Cash and cash equivalents, at beginning of period	683	682
Cash and cash equivalents, at end of period	\$ 705	\$ 702

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL NON-GAAP FINANCIAL INFORMATION — UNAUDITED
(In millions)

Exhibit D

Three months ended March 31, 2017

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,128	\$ 1,019	\$ 108	\$ 2,255
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment (1)	—	—	3	3
Adjusted processing and services revenue	<u>\$ 1,128</u>	<u>\$ 1,019</u>	<u>\$ 111</u>	<u>\$ 2,258</u>

Three months ended March 31, 2016

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,112	\$ 990	\$ 79	\$ 2,181
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment (1)	—	—	81	81
Adjusted processing and services revenue	<u>1,112</u>	<u>990</u>	<u>160</u>	<u>2,262</u>

(1) See note (3) to Exhibit E.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL NON-GAAP ORGANIC REVENUE GROWTH — UNAUDITED
(In millions)

Exhibit D (continued)

	Three months ended March 31,						
	2017			2016			
	Adjusted Revenue (1)	FX	Constant Currency Revenue	Adjusted Revenue (1)	In Year Adjustments (2)	Adjusted Base	Organic Growth (3)
Integrated Financial Solutions	\$ 1,128	\$ 1	\$ 1,129	\$ 1,112	\$ —	\$ 1,112	1.5 %
Global Financial Solutions	1,019	—	1,019	990	(1)	989	3.0 %
Corporate and Other	111	—	111	160	(40)	120	(6.6)%
Total	<u>\$ 2,258</u>	<u>\$ 1</u>	<u>\$ 2,259</u>	<u>\$ 2,262</u>	<u>\$ (41)</u>	<u>\$ 2,221</u>	<u>1.7 %</u>

(1) See Note (3) to Exhibit E.

(2) In year adjustments primarily include removing revenue from the PS&E divestiture, as well as removing revenue from other businesses divested by FIS.

(3) Organic growth percentages are calculated utilizing more precise amounts than the rounding to millions included in the tables above.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL NON-GAAP CASH FLOW MEASURES — UNAUDITED
(In millions)

Exhibit D (continued)

	Three months ended March 31, 2017
Net cash provided by operating activities	\$ 454
Non-GAAP adjustments:	
Capco acquisition related payments (1)	2
Acquisition, integration and severance payments (2)	15
Bond premium (3)	11
Settlement activity	36
Adjusted cash flows from operations	518
Capital expenditures	(155)
Free cash flow	\$ 363

	Three months ended March 31, 2016
Net cash provided by operating activities	\$ 385
Non-GAAP adjustments:	
Capco acquisition related payments (1)	20
Acquisition, integration and severance payments (2)	58
Settlement activity	20
Adjusted cash flows from operations	483
Capital expenditures	(145)
Free cash flow	\$ 338

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

- (1) Adjusted cash flow from operations and free cash flow for the three months ended March 31, 2017 and 2016 excludes payments for contingent purchase price and the New Hires and Promotions Incentive Plan associated with the 2010 acquisition of Capco. In accordance with the accounting guidance, contingent purchase price payments are included in financing activities on the Condensed Consolidated Statements of Cash Flows only to the extent they represent the original liability established at the acquisition date. Payments related to subsequent adjustments to the contingent purchase price are included in the net cash provided by operating activities.
- (2) Adjusted cash flow from operations and free cash flow for the three months ended March 31, 2017 and 2016 excludes cash payments for certain acquisition, integration and severance expenses, net of related tax impact. The related tax impact totaled \$9 million and \$28 million for the three months ended March 31, 2017 and 2016, respectively.
- (3) Adjusted cash flow from operations and free cash flow for the three months ended March 31, 2017 is adjusted for the \$11million one time bond premium payment, net of related tax impact of \$7 million, on the redemption of our senior notes due March 2022.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATION — UNAUDITED
(In millions)

Exhibit E

	Three months ended	
	March 31,	
	2017	2016
Net earnings from continuing operations attributable to FIS	\$ 138	\$ 55
Provision for income taxes	79	31
Interest expense, net	93	93
Other, net	(50)	5
Operating income, as reported	260	184
FIS depreciation and amortization from continuing operations, excluding purchase accounting amortization	156	139
FIS non-GAAP adjustments:		
Purchase accounting amortization (1)	183	154
Acquisition, integration and severance (2)	80	79
Acquisition deferred revenue adjustment (3)	3	81
Adjusted EBITDA	\$ 682	\$ 637

(1) See note (1) to Exhibit E.

(2) See note (2) to Exhibit E.

(3) See note (3) to Exhibit E.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATION — UNAUDITED
(In millions)

Exhibit E (continued)

	Three months ended March 31,	
	2017	2016
Earnings from continuing operations before income taxes	\$ 223	\$ 90
Provision for income taxes	79	31
Net earnings attributable to noncontrolling interest	(6)	(4)
Net earnings from continuing operations attributable to FIS	138	55
FIS non-GAAP adjustments:		
Purchase accounting amortization (1)	183	154
Acquisition, integration and severance (2)	80	79
Acquisition deferred revenue adjustment (3)	3	81
Gain on sale of business (4)	(85)	—
Redemption of senior note due March 2022 (5)	25	—
Provision for income taxes on non-GAAP adjustments	(58)	(110)
Total non-GAAP adjustments	148	204
Adjusted net earnings (loss) from continuing operations, net of tax	\$ 286	\$ 259
Net earnings per share - diluted from continuing operations attributable to FIS common stockholders	\$ 0.41	\$ 0.17
FIS non-GAAP adjustments:		
Purchase accounting amortization (1)	0.55	0.47
Acquisition, integration and severance (2)	0.24	0.24
Acquisition deferred revenue adjustment (3)	0.01	0.25
Gain on sale of business (4)	(0.26)	—
Redemption of senior note due March 2022 (5)	0.08	—
Provision for income taxes on non-GAAP adjustments	(0.17)	(0.34)
Adjusted net earnings (loss) per share - diluted from continuing operations attributable to FIS common stockholders	\$ 0.86	\$ 0.79
Weighted average shares outstanding-diluted	333	327

Amounts in table may not sum due to rounding.

- (1) See note (1) to Exhibit E.
- (2) See note (2) to Exhibit E.
- (3) See note (3) to Exhibit E.
- (4) See note (4) to Exhibit E.
- (5) See note (5) to Exhibit E.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATION — UNAUDITED
(In millions)

Notes to Unaudited - Supplemental GAAP to Non-GAAP Reconciliation for the three months ended March 31, 2017 and 2016.

The adjustments are as follows:

- (1) This item represents purchase price amortization expense on all intangible assets acquired through various Company acquisitions, including customer relationships, contract value, trademarks and tradenames, and non-compete agreements. Beginning with the November 2015 acquisition of SunGard, this column also includes the amortization associated with purchase price adjustments to technology assets acquired.
- (2) This item represents certain costs and other transactions which management deems non-operational primarily related to integration and severance activity from the SunGard acquisition.
- (3) This item represents the impact of the purchase accounting adjustment to reduce SunGard's deferred revenues to estimated fair value, determined as fulfillment cost plus a normal profit margin. The deferred revenue adjustment represents revenue that would have been recognized in the normal course of business by SunGard under GAAP if the acquisition had not occurred, but was not recognized due to GAAP purchase accounting requirements.
- (4) This item represents the pre-tax gain on the sale of the Public Sector and Education ("PS&E") businesses.
- (5) This item represents the write-off of certain previously capitalized debt issuance costs and the payment of an \$18 million bond premium associated with the early redemption of our senior notes due March 2022 during March 2017.