



Supplemental Financial Data and GAAP to Non-GAAP Reconciliations

Second Quarter 2020

Fidelity National Information Services, Inc.
Earnings Release Supplemental Financial Information
August 4, 2020

- Exhibit A Condensed Consolidated Statements of Earnings - Unaudited for the three and six months ended June 30, 2020 and 2019

- Exhibit B Condensed Consolidated Balance Sheets - Unaudited as of June 30, 2020 and December 31, 2019

- Exhibit C Condensed Consolidated Statements of Cash Flows - Unaudited for the six months ended June 30, 2020 and 2019

- Exhibit D Supplemental Non-GAAP Financial Information - Unaudited for the three and six months ended June 30, 2020 and 2019

- Exhibit E Supplemental GAAP to Non-GAAP Reconciliations - Unaudited for the three and six months ended June 30, 2020 and 2019

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

Exhibit A

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenue	\$ 2,962	\$ 2,112	\$ 6,039	\$ 4,169
Cost of revenue	2,046	1,404	4,134	2,785
Gross profit	916	708	1,905	1,384
Selling, general, and administrative expenses	870	317	1,751	678
Operating income	46	391	154	706
Other income (expense):				
Interest expense, net	(88)	(72)	(167)	(147)
Other income (expense), net	74	(120)	34	(172)
Total other income (expense), net	(14)	(192)	(133)	(319)
Earnings (loss) before income taxes and equity method investment earnings (loss)	32	199	21	387
Provision (benefit) for income taxes	4	40	(27)	72
Equity method investment earnings (loss)	(7)	(4)	(8)	(11)
Net earnings	21	155	40	304
Net (earnings) loss attributable to noncontrolling interest	(2)	(1)	(5)	(2)
Net earnings attributable to FIS common stockholders	<u>\$ 19</u>	<u>\$ 154</u>	<u>\$ 35</u>	<u>\$ 302</u>
Net earnings per share-basic attributable to FIS common	<u>\$ 0.03</u>	<u>\$ 0.48</u>	<u>\$ 0.06</u>	<u>\$ 0.93</u>
Weighted average shares outstanding-basic	<u>618</u>	<u>324</u>	<u>617</u>	<u>323</u>
Net earnings per share-diluted attributable to FIS common stockholders	<u>\$ 0.03</u>	<u>\$ 0.47</u>	<u>\$ 0.06</u>	<u>\$ 0.92</u>
Weighted average shares outstanding-diluted	<u>625</u>	<u>327</u>	<u>625</u>	<u>327</u>

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

Exhibit B

	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,183	\$ 1,152
Settlement deposits and merchant float	2,697	2,882
Trade receivables, net	3,104	3,242
Contract assets	150	124
Settlement receivables	834	647
Other receivables	299	337
Prepaid expenses and other current assets	333	308
Total current assets	8,600	8,692
Property and equipment, net	887	900
Goodwill	51,940	52,242
Intangible assets, net	14,589	15,798
Software, net	3,292	3,204
Other noncurrent assets	2,535	2,303
Deferred contract costs, net	799	667
Total assets	\$ 82,642	\$ 83,806
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities:		
Accounts payable, accrued and other liabilities	\$ 2,063	\$ 2,374
Settlement payables	4,214	4,228
Deferred revenue	846	817
Short-term borrowings	3,217	2,823
Current portion of long-term debt	1,777	140
Total current liabilities	12,117	10,382
Long-term debt, excluding current portion	14,874	17,229
Deferred income taxes	4,091	4,281
Other noncurrent liabilities	2,287	2,406
Deferred revenue	40	52
Total liabilities	33,409	34,350
Redeemable noncontrolling interest	176	—
Equity:		
FIS stockholders' equity:		
Preferred stock \$0.01 par value	—	—
Common stock \$0.01 par value	6	6
Additional paid in capital	45,736	45,358
Retained earnings	3,753	4,161
Accumulated other comprehensive earnings (loss)	(358)	(33)
Treasury stock, at cost	(94)	(52)
Total FIS stockholders' equity	49,043	49,440
Noncontrolling interest	14	16
Total equity	49,057	49,456
Total liabilities, redeemable noncontrolling interest and equity	\$ 82,642	\$ 83,806

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

Exhibit C

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net earnings	\$ 40	304
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,830	736
Amortization of debt issue costs	16	10
Acquisition-related financing foreign exchange	—	104
Loss (gain) on sale of businesses, investments and other	3	17
Stock-based compensation	125	43
Deferred income taxes	(118)	(68)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade and other receivables	105	93
Contract assets	(28)	1
Settlement activity	172	(27)
Prepaid expenses and other assets	(153)	(140)
Deferred contract costs	(252)	(174)
Deferred revenue	22	39
Accounts payable, accrued liabilities and other liabilities	(149)	(118)
Net cash provided by operating activities	<u>1,613</u>	<u>820</u>
Cash flows from investing activities:		
Additions to property and equipment	(110)	(57)
Additions to software	(457)	(228)
Acquisitions, net of cash acquired	(469)	—
Net proceeds from sale of businesses and investments	—	43
Other investing activities, net	90	(42)
Net cash provided by (used in) investing activities	<u>(946)</u>	<u>(284)</u>
Cash flows from financing activities:		
Borrowings	27,025	19,201
Repayment of borrowings and other financing obligations	(27,196)	(10,028)
Debt issuance costs	—	(71)
Proceeds from stock issued under stock-based compensation plans	274	86
Treasury stock activity	(49)	(423)
Dividends paid	(433)	(226)
Other financing activities, net	(18)	(24)
Net cash provided by (used in) financing activities	<u>(397)</u>	<u>8,515</u>
Effect of foreign currency exchange rate changes on cash	<u>(23)</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	247	9,053
Cash and cash equivalents, beginning of period	3,211	703
Cash and cash equivalents, end of period	<u>\$ 3,458</u>	<u>\$ 9,756</u>

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

Exhibit D

	Three months ended June 30,						
	2020			2019			
	Revenue	FX	Constant Currency Revenue	Revenue	In Year Adjustments (1)	Adjusted Base	Organic Growth
Merchant Solutions	\$ 812	\$ 5	\$ 817	\$ 97	\$ 986	\$ 1,083	(25)%
Banking Solutions	1,479	15	1,494	1,357	87	1,443	4 %
Capital Market Solutions	629	4	633	594	20	615	3 %
Corporate and Other	42	—	42	64	—	64	(35)%
Total	\$ 2,962	\$ 24	\$ 2,986	\$ 2,112	\$ 1,093	\$ 3,206	(7)%

	Six months ended June 30,						
	2020			2019			
	Revenue	FX	Constant Currency Revenue	Revenue	In Year Adjustments (1)	Adjusted Base	Organic Growth
Merchant Solutions	\$ 1,747	\$ 9	\$ 1,756	\$ 147	\$ 1,873	\$ 2,020	(13)%
Banking Solutions	2,941	25	2,965	2,730	170	2,900	2 %
Capital Market Solutions	1,260	6	1,266	1,167	39	1,206	5 %
Corporate and Other	91	—	92	125	—	125	(27)%
Total	\$ 6,039	\$ 40	\$ 6,079	\$ 4,169	\$ 2,083	\$ 6,252	(3)%

Amounts in tables may not sum or calculate due to rounding.

(1) In year adjustments primarily include adding revenue from the Worldpay and Virtus acquisitions.

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

Exhibit D (continued)

	Three months ended June 30, 2020	Six months ended June 30, 2020
Net cash provided by operating activities	\$ 1,231	\$ 1,613
Non-GAAP adjustments:		
Acquisition, integration and other payments (1)	208	299
Settlement activity	(541)	(172)
Adjusted cash flows from operations	898	1,740
Capital expenditures (2)	(243)	(546)
Free cash flow	<u>\$ 655</u>	<u>\$ 1,194</u>

	Three months ended June 30, 2019	Six months ended June 30, 2019
Net cash provided by operating activities	\$ 526	\$ 820
Non-GAAP adjustments:		
Acquisition, integration and other payments (1)	46	90
Tax payments on divestitures (3)	10	10
Settlement activity	(29)	27
Adjusted cash flows from operations	553	947
Capital expenditures	(140)	(285)
Free cash flow	<u>\$ 413</u>	<u>\$ 662</u>

Free cash flow reflects adjusted cash flows from operations less capital expenditures (additions to property and equipment and additions to software, excluding capital spend related to the construction of our new headquarters). Free cash flow does not represent our residual cash flows 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 flows from operations and free cash flow for the three and six months ended June 30, 2020 and 2019 exclude cash payments for certain acquisition, integration and other costs, net of related tax impact. The related tax impact totaled \$32 million and \$11 million for the three months and \$47 million and \$21 million for the six months ended June 30, 2020 and 2019, respectively.
- (2) Capital expenditures for free cash flow for the three and six months ended June 30, 2020 exclude \$18 million and \$21 million in capital spend related to the construction of our new headquarters.
- (3) Adjusted cash flows from operations and free cash flow exclude tax payments made in 2019 related to the sale of Reliance Trust Company of Delaware and the unwinding of the Brazilian Venture recognized during 2018.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATIONS — UNAUDITED
(In millions, except per share amounts)

Exhibit E

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net earnings attributable to FIS common stockholders	\$ 19	\$ 154	\$ 35	\$ 302
Provision (benefit) for income taxes	4	40	(27)	72
Interest expense, net	88	72	167	147
Other, net	(65)	125	(21)	185
Operating income, as reported	46	391	154	706
Depreciation and amortization, excluding purchase accounting amortization	237	193	468	388
Non-GAAP adjustments:				
Purchase accounting amortization (1)	678	175	1,362	348
Acquisition, integration and other costs (2)	196	35	420	81
Adjusted EBITDA	\$ 1,157	\$ 794	\$ 2,404	\$ 1,523

See notes to Exhibit E.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATIONS — UNAUDITED
(In millions, except per share amounts)

Exhibit E (continued)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Earnings (loss) before income taxes and equity method investment earnings (loss)	\$ 32	\$ 199	\$ 21	\$ 387
(Provision) benefit for income taxes	(4)	(40)	27	(72)
Equity method investment earnings (loss)	(7)	(4)	(8)	(11)
Net (earnings) loss attributable to noncontrolling interest	(2)	(1)	(5)	(2)
Net earnings attributable to FIS common stockholders	19	154	35	302
Non-GAAP adjustments:				
Purchase accounting amortization (1)	678	175	1,362	348
Acquisition, integration and other costs (2)	202	46	426	146
Loss (gain) on sale of businesses and investments (3)	—	—	—	6
Debt financing activities (4)	—	102	—	102
Non-operating (income) expense (5)	(74)	—	(34)	—
Equity method investment (earnings) loss (6)	7	4	8	11
(Provision) benefit for income taxes on non-GAAP adjustments	(114)	(57)	(277)	(113)
Total non-GAAP adjustments	699	270	1,485	500
Adjusted net earnings	<u>\$ 718</u>	<u>\$ 424</u>	<u>\$ 1,520</u>	<u>\$ 802</u>
Net earnings per share-diluted attributable to FIS common stockholders	\$ 0.03	\$ 0.47	\$ 0.06	\$ 0.92
Non-GAAP adjustments:				
Purchase accounting amortization (1)	1.08	0.54	2.18	1.06
Acquisition, integration and other costs (2)	0.32	0.14	0.68	0.45
Loss (gain) on sale of businesses and investments (3)	—	—	—	0.02
Debt financing activities (4)	—	0.31	—	0.31
Non-operating (income) expense (5)	(0.12)	—	(0.05)	—
Equity method investment (earnings) loss (6)	0.01	0.01	0.01	0.03
(Provision) benefit for income taxes on non-GAAP adjustments	(0.18)	(0.17)	(0.44)	(0.35)
Adjusted net earnings per share-diluted attributable to FIS common stockholders	<u>\$ 1.15</u>	<u>\$ 1.30</u>	<u>\$ 2.43</u>	<u>\$ 2.46</u>
Weighted average shares outstanding-diluted	<u>625</u>	<u>327</u>	<u>625</u>	<u>327</u>

Amounts in table may not sum or calculate due to rounding.

See notes to Exhibit E.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATIONS — UNAUDITED
(In millions, except per share amounts)

Exhibit E (continued)

Notes to Unaudited - Supplemental GAAP to Non-GAAP Reconciliations for the three and six months ended June 30, 2020 and 2019.

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 technology assets. The Company has excluded the impact of this amortization expense as such amounts can be significantly impacted by the timing and/or size of acquisitions. Although the Company excludes these amounts from its non-GAAP expenses, the Company believes that it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of assets that relate to past acquisitions will recur in future periods until such assets have been fully amortized. Any future acquisitions may result in the amortization of future assets.
- (2) This item represents acquisition and integration costs primarily related to the acquisition of Worldpay and certain other costs including those associated with data center consolidation activities of \$22 million and \$17 million for the three months and \$40 million and \$25 million for the six months ended June 30, 2020 and 2019, respectively.
- (3) This item represents the net pre-tax loss (gain) on sale of businesses and investments during the six months ended June 30, 2019.
- (4) This item primarily represents the non-cash foreign currency impact of non-hedged Euro- and Pound Sterling-denominated notes issued during the three months ended June 30, 2019 to finance the Worldpay acquisition.
- (5) Non-operating income (expense) consists of other income and expense items outside of the Company's operating activities. For the three and six months ended June 30, 2020 this item primarily represents foreign currency transaction remeasurement gains and losses and the fair value adjustment on convertible Visa Inc. Series B preferred stock and related contingent value rights liability from the Worldpay acquisition.
- (6) This item represents our equity method investment earnings or loss and is predominantly due to our equity ownership interest in Cardinal Holdings, LP.