



# SECOND QUARTER 2014 EARNINGS CALL SUPPLEMENTAL MATERIALS

July 29, 2014



# Agenda

TOPIC	SPEAKER
<b>Second Quarter 2014 Highlights</b>	<b>Frank Martire,</b> <i>Chairman and CEO</i>
<b>Operations Review</b>	<b>Gary Norcross,</b> <i>President and Chief Operating Officer</i>
<b>Financial Summary</b>	<b>Woody Woodall,</b> <i>Chief Financial Officer</i>

# Forward-looking Statements

Our discussions today, including this presentation and any comments made by management, contain forward-looking statements within the meaning of the U.S. federal securities laws. Any statements that refer to future events or circumstances, including our future strategies or results, or that are not historical facts are forward-looking statements. Actual results could differ materially from those projected in forward-looking statements due to a variety of factors, including the risks and uncertainties set forth in our earnings press release dated July 29, 2014, our annual report on Form 10-K for 2013 and our other filings with the SEC. We undertake no obligation to update or revise any forward-looking statements.

# Use of Non-GAAP Measures

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, the company has provided non-GAAP financial measures, which it believes are useful to help investors better understand its financial performance, competitive position and prospects for the future.

These non-GAAP measures include:

- Organic revenue
- Adjusted revenue
- Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)
- Adjusted EBITDA margin
- Adjusted net earnings
- Adjusted cash flow from operations
- Free cash flow

Any non-GAAP measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP net earnings. Further, FIS' non-GAAP measures may be calculated differently from similarly titled measures of other companies. Additional information about these non-GAAP measures is provided in the appendix to this presentation. Reconciliations of these non-GAAP measures to related GAAP measures are provided in the Investor Relations section of the FIS Web site, [www.fisglobal.com](http://www.fisglobal.com).

# SECOND QUARTER 2014 HIGHLIGHTS

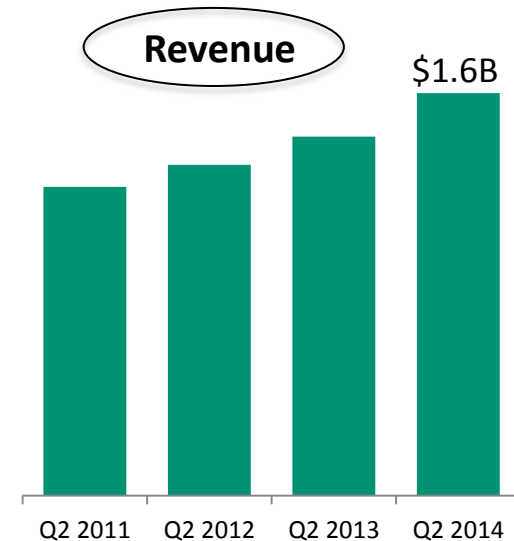
**Frank Martire**  
Chairman and CEO



# Second Quarter 2014 Highlights

## *Consistent Execution of Growth Strategy*

- **\$1.6 BILLION** revenue, up **6%**
- **\$0.75** adjusted EPS, up **6%**
- **\$245 MILLION** adjusted cash flow from operations
- **\$219 MILLION** returned to shareholders
- **INVESTING** for growth



# OPERATIONS REVIEW

**Gary Norcross**

President and Chief Operating Officer



# Operational Highlights

- Capitalizing on **GLOBAL** market trends
- Delivering strategic **VALUE** to clients
- **INVESTING** in growth markets and innovation
- Driving **PROFITABLE GROWTH**



# Key Takeaways



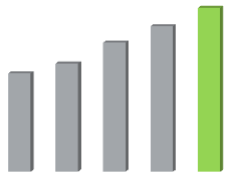
**Strong first half results**



**Strong sales and execution**



**Expanding global client relationships**



**Investing for growth**

# FINANCIAL SUMMARY

**Woody Woodall**  
Chief Financial Officer



# Consolidated Results

(\$ Millions, adjusted, except per share data)

METRICS	Q2	First Half
<b>Revenue</b>	<b>\$ 1,599</b>	<b>\$ 3,128</b>
<i>Growth vs. 2013</i>	<i>6%</i>	<i>5%</i>
<i>Organic growth</i>	<i>5%</i>	<i>4%</i>
<b>EBITDA</b>	<b>\$ 466</b>	<b>\$ 914</b>
<i>Growth vs. 2013</i>	<i>3%</i>	<i>4%</i>
<b>EBITDA Margin</b>	<b>29.2%</b>	<b>29.2%</b>
<b>Net Earnings</b>	<b>\$ 217</b>	<b>\$ 417</b>
<i>Growth vs. 2013</i>	<i>4%</i>	<i>6%</i>
<b>EPS</b>	<b>\$ 0.75</b>	<b>\$ 1.43</b>
<i>Growth vs. 2013</i>	<i>6%</i>	<i>8%</i>

Refer to [www.investor.fisglobal.com](http://www.investor.fisglobal.com) for reconciliation of GAAP to non-GAAP items. See appendix for description of non-GAAP financial measures.

## Financial Solutions | (*\$ Millions, Adjusted*)

METRICS	Q2	First Half
<b>Revenue</b>	<b>\$ 629</b>	<b>\$ 1,216</b>
<i>Growth vs. 2013</i>	<i>7%</i>	<i>5%</i>
<i>Organic growth</i>	<i>6%</i>	<i>4%</i>
<b>EBITDA</b>	<b>\$ 249</b>	<b>\$ 476</b>
<b><i>EBITDA Margin</i></b>	<b><i>39.6%</i></b>	<b><i>39.1%</i></b>

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# Payment Solutions | (*\$ Millions, Adjusted*)

METRICS	Q2	First Half
<b>Revenue</b>	\$ 624	\$ 1,252
<i>Growth vs. 2013</i>	-	1%
<b>EBITDA</b>	\$ 253	\$ 518
<b><i>EBITDA Margin</i></b>	<b>40.6%</b>	<b>41.4%</b>

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## International Solutions | (*\$ Millions, Adjusted*)

METRICS	Q2	First Half
<b>Revenue</b>	<b>\$ 347</b>	<b>\$ 661</b>
<i>Growth vs. 2013</i>	<b>14%</b>	<b>11%</b>
<i>Organic growth</i>	<b>12%</b>	<b>11%</b>
<b>EBITDA</b>	<b>\$ 73</b>	<b>\$ 135</b>
<b><i>EBITDA Margin</i></b>	<b>21.1%</b>	<b>20.4%</b>

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# Non-GAAP Reconciliation – Earnings Per Share

	<u>Q2 2014</u>	<u>Q2 2013</u>
GAAP net earnings per share from continuing operations	\$ 0.62	\$ 0.31
Adjustments:		
Purchase Price Amortization	0.13	0.14
Long-term Debt Refinance	-	0.14
Capco Acquisition Adjustment	-	0.12
<b>Adjusted EPS</b>	<b>\$ 0.75</b>	<b>\$ 0.71</b>
<i>Growth</i>	<i>6%</i>	
Shares Outstanding:		
Weighted Average - Diluted	<b>289.2</b>	<b>294.3</b>
Period End - Diluted	<b>288.4</b>	<b>293.6</b>
Period End - Basic	<b>284.6</b>	<b>289.2</b>

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## Free Cash Flow | (\$ Millions)

	<b>Q2 2014</b>	<b>6 Months 2014</b>
Cash Flow from Operations	\$ 257	\$ 479
Capco Acquisition Related Payments	2	30
Settlement Activity	(13)	(16)
<b>Adjusted Cash Flow from Operations</b>	<b>\$ 245</b>	<b>\$ 493</b>
Capital Expenditures	(97)	(187)
<b>Free Cash Flow</b>	<b>\$ 149</b>	<b>\$ 307</b>

Calculations may differ due to rounding.

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# Executing Capital Allocation Strategy

- **Investing for growth**

- Innovation
- Product and market expansion
- Strategic, tuck-in acquisitions

- **Maintaining a strong balance sheet**

- \$4.9 billion debt outstanding as of June 30
- 2.6 times debt-to-EBITDA

- **Returning cash to shareholders**

- \$68 million in dividends in Q2
- \$151 million in share repurchases in Q2
- \$1,674 million remaining under current share repurchase authorization

# 2014 Financial Outlook

METRIC	RANGE
Organic revenue growth	4.5% to 6.5%
Earnings per share, as adjusted <i>Growth</i>	\$3.05 to \$3.16 + 8% to 12%
Free cash flow conversion	~ adjusted net earnings

## KEY TAKEAWAYS

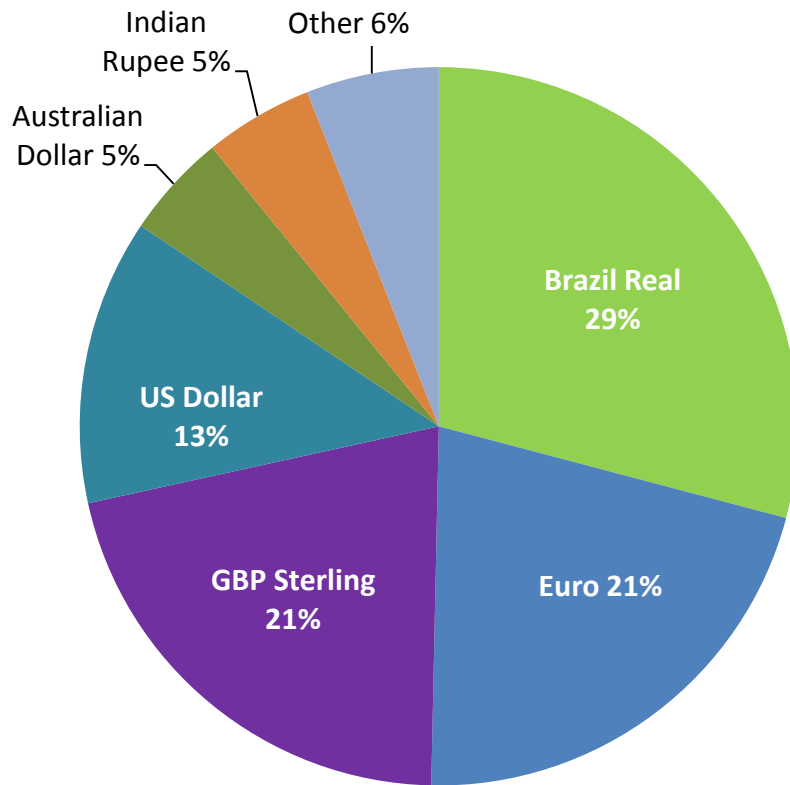
- ✓ Driving Consistent, Profitable **GROWTH**
- ✓ **OPTIMIZING** Performance
- ✓ Delivering Strategic Value to **CLIENTS**
- ✓ **INVESTING** in Innovation
- ✓ Committed to Delivering Superior **SHAREHOLDER RETURNS**

**APPENDIX**



# Foreign Currency

## International Solutions Group Revenue Composition (Q2-14)



## Costs

- Majority of costs within **International Solutions Group** are denominated in local currencies, reducing P&L impact
- Costs related to captive operation in India are carried in **Financial Solutions Group**

<sup>(1)</sup> Represents International contracts that are contracted in US Dollars versus local currencies.

## Debt Summary | (\$ Millions)

	Rate	Jun 30, 2014		Dec 31, 2013
		Actual	Pro Forma	
Revolver	L+125 bps	\$ 156	\$ 686	\$ 29
<i>Undrawn revolver capacity<sup>(1)</sup></i>	<i>25 bps</i>	<i>1,844</i>	<i>1,314</i>	<i>1,971</i>
Term Loan (2017 Maturity)	L+125 bps	1,300	1,300	1,963
2017 Notes	1.450%	300	300	-
2018 Notes	2.000%	250	250	250
2020 Notes	7.875%	500	-	500
2022 Notes	5.000%	700	700	700
2023 Notes	3.500%	1,000	1,000	1,000
2024 Notes	3.875%	700	700	-
Other	Various	18	18	27
<b>Total Debt<sup>(2)</sup></b>		<b>\$ 4,924</b>	<b>\$ 4,954</b>	<b>\$ 4,469</b>
<i>Weighted-Average Interest Rate</i>		<i>3.9%</i>	<i>3.2%</i>	<i>4.0%</i>
<i>Leverage Ratio</i>		<i>2.6</i>	<i>2.7</i>	<i>2.4</i>

<sup>(1)</sup> Excludes letters of credit issued under the revolver of \$0.8 million in both periods.

<sup>(2)</sup> Variance in total debt reflects the call premium of \$29.5 million on the 2020 notes paid July 15, 2014

# Non-GAAP Financial Measures

- Organic revenue includes adjusted revenue plus pre-acquisition revenue for companies acquired during the applicable reporting periods. Organic revenue excludes the impact of foreign currency fluctuation.
- Adjusted revenue (2014) includes reported revenue and is increased by \$9 million for a negotiated contract cash settlement for the extinguishment of certain contractual minimums with a reseller. Although the 2014 cash settlement has no contractual performance obligation, under GAAP the cash settlement revenue is amortized in this circumstance over the remaining relationship with the reseller. Adjusted EBITDA (2014) is also adjusted for this settlement.
- EBITDA is earnings from continuing operations before interest, taxes, depreciation and amortization.
- Adjusted net earnings excludes the after-tax impact of acquisition-related amortization and, for 2014, includes the after-tax impact of adjusted revenue.
- Adjusted cash flow from operations is GAAP cash flow from operations as adjusted for the net change in settlement assets and obligations and certain payments for contingent purchase price and incentive compensation programs associated with the 2010 acquisition of Capco.
- Adjusted net earnings per diluted share, or adjusted EPS, is equal to adjusted net earnings divided by weighted average diluted shares outstanding.
- Free cash flow is adjusted operating cash flow 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.