

Supplemental Financial Data and GAAP to Non-GAAP Reconciliations

First Quarter 2019

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the Financial World



Fidelity National Information Services, Inc.
Earnings Release Supplemental Financial Information
April 30, 2019

Exhibit A	Condensed Consolidated Statements of Earnings - Unaudited for the three months ended March 31, 2019 and 2018
Exhibit B	Condensed Consolidated Balance Sheets - Unaudited as of March 31, 2019 and December 31, 2018
Exhibit C	Condensed Consolidated Statements of Cash Flows - Unaudited for the three months ended March 31, 2019 and 2018
Exhibit D	Supplemental Non-GAAP Financial Information - Unaudited for the three months ended March 31, 2019 and 2018
Exhibit E	Supplemental GAAP to Non-GAAP Reconciliations - Unaudited for the three months ended March 31, 2019 and 2018
Exhibit F	Supplemental GAAP to Non-GAAP Reconciliations on Guidance - Unaudited for the year ended December 31, 2019

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

Exhibit A

	Three months ended	
	March 31,	
	2019	2018
Revenue	\$ 2,057	\$ 2,066
Cost of revenue	1,381	1,414
Gross profit	<u>676</u>	<u>652</u>
Selling, general and administrative expenses	361	358
Operating income	<u>315</u>	<u>294</u>
Other income (expense):		
Interest expense, net	(75)	(72)
Other income (expense), net	(52)	3
Total other income (expense), net	<u>(127)</u>	<u>(69)</u>
Earnings before income taxes and equity method investment earnings (loss)	188	225
Provision (benefit) for income taxes	32	34
Equity method investment earnings (loss)	(7)	(1)
Net earnings	<u>149</u>	<u>190</u>
Net (earnings) loss attributable to noncontrolling interest	(1)	(8)
Net earnings attributable to FIS common stockholders	<u>\$ 148</u>	<u>\$ 182</u>
Net earnings per share-basic attributable to FIS common stockholders	<u>\$ 0.46</u>	<u>\$ 0.55</u>
Weighted average shares outstanding-basic	<u>323</u>	<u>330</u>
Net earnings per share-diluted attributable to FIS common stockholders	<u>\$ 0.45</u>	<u>\$ 0.54</u>
Weighted average shares outstanding-diluted	<u>326</u>	<u>334</u>

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

Exhibit B

	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 576	\$ 703
Settlement deposits	666	700
Trade receivables, net	1,451	1,472
Contract assets	123	123
Settlement receivables	346	281
Other receivables	150	166
Prepaid expenses and other current assets	299	288
Total current assets	3,611	3,733
Property and equipment, net	556	587
Goodwill	13,544	13,545
Intangible assets, net	3,019	3,132
Computer software, net	1,777	1,795
Other noncurrent assets	1,028	503
Deferred contract costs, net	538	475
Total assets	\$ 24,073	\$ 23,770
Liabilities and Equity		
Current liabilities:		
Accounts payable, accrued and other liabilities	\$ 1,068	\$ 1,099
Settlement payables	946	972
Deferred revenue	854	739
Short-term borrowings	600	267
Current portion of long-term debt	53	48
Total current liabilities	3,521	3,125
Long-term debt, excluding current portion	8,562	8,670
Deferred income taxes	1,351	1,360
Other long-term liabilities	681	326
Deferred revenue	55	67
Total liabilities	14,170	13,548
Equity:		
FIS stockholders' equity:		
Preferred stock \$0.01 par value	—	—
Common stock \$0.01 par value	4	4
Additional paid in capital	10,844	10,800
Retained earnings	4,558	4,528
Accumulated other comprehensive earnings (loss)	(427)	(430)
Treasury stock, at cost	(5,083)	(4,687)
Total FIS stockholders' equity	9,896	10,215
Noncontrolling interest	7	7
Total equity	9,903	10,222
Total liabilities and equity	\$ 24,073	\$ 23,770

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

Exhibit C

	Three months ended March 31,	
	2019	2018
Cash flows from operating activities:		
Net earnings	\$ 149	\$ 190
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	368	352
Amortization of debt issue costs	4	5
Loss (gain) on sale of businesses and investments	6	(7)
Stock-based compensation	19	20
Deferred income taxes	(10)	(14)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade and other receivables	13	44
Contract assets	(1)	2
Settlement activity	(56)	2
Prepaid expenses and other assets	(117)	(43)
Deferred contract costs	(106)	(65)
Deferred revenue	110	69
Accounts payable, accrued liabilities and other liabilities	(85)	(201)
Net cash provided by operating activities	294	354
Cash flows from investing activities:		
Additions to property and equipment	(37)	(54)
Additions to computer software	(108)	(118)
Net proceeds from sale of businesses and investments	43	49
Other investing activities, net	(41)	(4)
Net cash provided by (used in) investing activities	(143)	(127)
Cash flows from financing activities:		
Borrowings	5,952	1,971
Repayment of borrowings and other financing obligations	(5,754)	(1,711)
Proceeds from exercise of stock options	62	98
Treasury stock activity	(423)	(424)
Dividends paid	(113)	(106)
Other financing activities, net	1	(1)
Net cash provided by (used in) financing activities	(275)	(173)
Effect of foreign currency exchange rate changes on cash	(3)	6
Net increase (decrease) in cash and cash equivalents	(127)	60
Cash and cash equivalents, at beginning of period	703	665
Cash and cash equivalents, at end of period	\$ 576	\$ 725

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

Exhibit D

	Three months ended March 31, 2018			
	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Revenue	\$ 1,061	\$ 927	\$ 78	\$ 2,066
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment (1)	—	—	2	2
Adjusted revenue	\$ 1,061	\$ 927	\$ 80	\$ 2,068

(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,						
	2019			2018			
	Revenue	FX	Constant	Adjusted Revenue	In Year Adjustments (1)	Adjusted Base	Organic Growth
			Currency Revenue				
Integrated Financial Solutions	\$ 1,129	\$ 1	\$ 1,130	\$ 1,061	\$ (8)	\$ 1,053	7.3%
Global Financial Solutions	863	25	888	927	(60)	867	2.4%
Corporate and Other	65	—	65	80	(18)	62	4.1%
Total	\$ 2,057	\$ 26	\$ 2,083	\$ 2,068	\$ (86)	\$ 1,982	5.1%

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

- (1) In year adjustments primarily include removing revenue from the Certegy Check Services business unit in North America and the Reliance Trust Company of Delaware divestitures and the unwinding of the Brazilian Venture.

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

Exhibit D (continued)

	Three months ended	
	March 31, 2019	March 31, 2018
Net cash provided by operating activities	\$ 294	\$ 354
Non-GAAP adjustments:		
Acquisition, integration and other payments (1)	44	27
Tax payments on divestitures (2)	—	19
Settlement activity	56	(2)
Adjusted cash flows from operations	394	398
Capital expenditures	(145)	(172)
Free cash flow	\$ 249	\$ 226

Free cash flow reflects adjusted cash flows from operations less capital expenditures. 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 months ended March 31, 2019 and 2018 exclude cash payments for certain acquisition, integration and other costs, net of related tax impact. The related tax impact totaled \$10 million and \$7 million for the three months ended March 31, 2019 and 2018, respectively.
- (2) Adjusted cash flows from operations and free cash flow exclude tax payments made in 2018 related to the sale of Capco consulting business and risk and compliance consulting business recognized during 2017.

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

Exhibit E

	Three months ended	
	March 31,	
	2019	2018
Net earnings attributable to FIS common stockholders	\$ 148	\$ 182
Provision (benefit) for income taxes	32	34
Interest expense, net	75	72
Other, net	60	6
Operating income, as reported	315	294
FIS non-GAAP adjustments:		
Depreciation and amortization (1)	368	352
Acquisition, integration and other costs (2)	46	57
Acquisition deferred revenue adjustment (3)	—	2
Adjusted EBITDA	\$ 729	\$ 705

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	
	March 31,	
	2019	2018
Earnings before income taxes and equity method investment earnings (loss)	\$ 188	\$ 225
Provision (benefit) for income taxes	32	34
Equity method investment earnings (loss)	(7)	(1)
Net (earnings) loss attributable to noncontrolling interest	(1)	(8)
Net earnings attributable to FIS common stockholders	148	182
FIS non-GAAP adjustments:		
Depreciation and amortization (1)	368	352
Acquisition, integration and other costs (2)	100	57
Acquisition deferred revenue adjustment (3)	—	2
Loss (gain) on sale of businesses and investments (4)	6	(3)
Equity method investment earnings (loss) (5)	7	—
Provision for income taxes on non-GAAP adjustments	(94)	(90)
Total non-GAAP adjustments	387	318
Adjusted net earnings, net of tax	\$ 535	\$ 500
Net earnings per share - diluted attributable to FIS common stockholders	\$ 0.45	\$ 0.54
FIS non-GAAP adjustments:		
Depreciation and amortization (1)	1.13	1.05
Acquisition, integration and other costs (2)	0.31	0.17
Acquisition deferred revenue adjustment (3)	—	0.01
Loss (gain) on sale of businesses and investments (4)	0.02	(0.01)
Equity method investment earnings (loss) (5)	0.02	—
Provision for income taxes on non-GAAP adjustments	(0.29)	(0.27)
Adjusted net earnings per share - diluted attributable to FIS common stockholders	\$ 1.64	\$ 1.50
Weighted average shares outstanding-diluted	326	334

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 months ended March 31, 2019 and 2018.

The adjustments are as follows:

- (1) This item represents the impact of depreciation and amortization expense. The Company has excluded the impact of depreciation of fixed assets and amortization of intangibles 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 tangible and intangible assets contribute to revenue generation. Depreciation and amortization of assets, including those that relate to past acquisitions, will recur in future periods until such assets have been fully depreciated or amortized. Any future acquisitions may result in the depreciation and/or amortization of future assets. Within the depreciation and amortization item, \$195 million and \$169 million for the three months ended March 31, 2019 and 2018, respectively, consist of depreciation and amortization of non-purchase accounting assets. The tax effects related to depreciation and amortization of non-purchase accounting assets are \$37 million and \$32 million for the three months ended March 31, 2019 and 2018, respectively.
- (2) This item represents acquisition and integration costs primarily related to the potential acquisition of Worldpay and certain other costs including those associated with data center consolidation activities of \$8 million in the first quarter of 2019. For the first quarter of 2018, this item represents acquisition and integration costs primarily related to the SunGard acquisition, and certain other costs.
- (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. The year ended December 31, 2018 was the final year impacted by this purchase accounting adjustment.
- (4) This item represents the net pre-tax loss (gain) on sale of businesses and investments during the first quarter of 2019 and 2018.
- (5) This item represents our equity method investment earnings or loss and is predominantly due to our equity ownership interest in Cardinal Holdings, LP.

FIDELITY NATIONAL INFORMATION SERVICES, INC.
SUPPLEMENTAL GAAP TO NON-GAAP RECONCILIATIONS ON GUIDANCE — UNAUDITED

Exhibit F

	Year ended December 31, 2019	
	Low	High
	Consolidated GAAP revenue increase/(decrease)	—%
Estimated adjustments (1)	4.0%	4.0%
Consolidated organic revenue increase	4.0%	4.5%
	Year ended December 31, 2019	
	Low	High
Net earnings margin attributable to FIS common stockholders	12.1%	13.5%
Estimated adjustments (2)	26.6%	25.7%
Adjusted EBITDA margin	38.7%	39.2%
	Year ended December 31, 2019	
	Low	High
Net earnings per share - diluted attributable to FIS common stockholders	\$ 3.15	\$ 3.55
Estimated adjustments (3)	4.20	4.00
Adjusted net earnings per share - diluted attributable to FIS common stockholders	\$ 7.35	\$ 7.55

- (1) Estimated adjustments for the full-year 2018 needed to create a comparable base year for organic revenue increase/decrease include the addition of deferred revenue adjustments, and the subtraction of pre-divestiture revenue, in the applicable periods, associated with the divestitures of Reliance Trust Company of Delaware, Kingstar, Certegy Check Services in North America business unit and the unwinding of the Brazilian Venture. Estimated adjustments for the full-year 2019 include the addition or subtraction of revenue associated with foreign currency translation. The effect of the foregoing estimated adjustments are shown on a combined basis.
- (2) Estimated adjustments for the full-year 2019 include acquisition, integration and other costs and other items.
- (3) Estimated adjustments for the full-year 2019 include depreciation and amortization, acquisition, integration and other costs, equity method investment earnings (loss) and other items, net of tax impact.