



# First Quarter 2016 Earnings Call

May 3, 2016



# Agenda

TOPIC	SPEAKER
<b>Business Summary</b>	<b>Gary Norcross,</b> <i>President and CEO</i>
<b>Financial Summary</b>	<b>Woody Woodall,</b> <i>Chief Financial Officer</i>

# Disclosures

## 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 May 3, 2016, our annual report on Form 10-K for 2015 and our other filings with the SEC. We undertake no obligation to update or revise any forward-looking statements. Please see the appendix for additional details on forward-looking statements.

## Non-GAAP Measures

This presentation will reference certain non-GAAP financial information. For a description and reconciliation of non-GAAP measures presented in this document, please see the Appendix attached to this presentation or visit the Investor Relations section of the FIS website at [www.fisglobal.com](http://www.fisglobal.com).

# Business Summary

**Gary Norcross**

President and CEO



# First Quarter Highlights

- **\$2.3 BILLION** adjusted revenue;  
up 4.2% on an organic basis
- **\$0.79** adjusted EPS;  
up 22%
- **AHEAD** of schedule on SunGard integration

For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix.

# First Quarter Highlights

- **Integrated Financial Solutions**

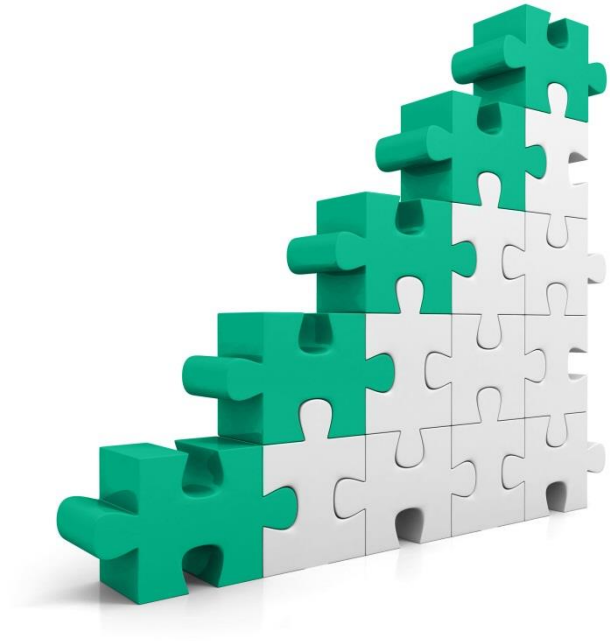
- Digital solutions continue steady growth
- Continuing demand for enterprise governance, risk and compliance
- EMV production tailwind on-going

- **Global Financial Solutions**

- Strong growth in outsourced solutions in Capital Markets
- Clear2Pay gaining additional momentum
- Consulting improving

# Consistent Execution of Strategy

- Invest for **GROWTH**
- **DE-LEVER** the balance sheet
- Executive **FOCUS** on integration



# FINANCIAL SUMMARY

**Woody Woodall**

Chief Financial Officer





# Consolidated Results

First Quarter (\$ millions except per share data)

METRICS	Q1 2016	Y-o-Y Growth vs Q1 2015
Adj. Revenue	\$ 2,262	4.2% Organic
Adj. EBITDA	\$ 637	8.1% Adj. Combined
Adj. EBITDA Margin	28.2%	170 bps Adj. Combined
Adj. EPS	\$ 0.79	22%

- Organic revenue growth adjusts for M&A activity in the prior period and F/X translation impact in current period
- Adj. combined growth adjusts to include the SunGard acquisition in the prior period

For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix.

# Integrated Financial Solutions

## Solutions and Services



### BANKING AND WEALTH

- Core Banking
- Image and Output Solutions
- Enterprise Governance, Risk and Compliance
- Wealth Management <sup>(1)</sup>



### PAYMENTS

- Issuer Services
- Network Services
- Prepaid Services
- Loyalty



### CORPORATE AND DIGITAL

- Internet Banking
- Mobile Banking
- Bill Payment
- Treasury Solutions
- Corporate Liquidity <sup>(1)</sup>

IP-LED SOLUTIONS DEPLOYED ONE TO MANY

<sup>(1)</sup> Assets acquired by FIS through the SunGard acquisition.

# Integrated Financial Solutions

First Quarter (\$ millions)

<b>METRICS</b>	<b>Q1 2016</b>	<b>Y-o-Y Growth vs Q1 2015</b>
<b>Adj. Revenue</b>	<b>\$ 1,121</b>	<b>5.4% Organic</b>
<b>Adj. EBITDA</b>	<b>\$ 426</b>	<b>2.2% Adj. Combined</b>
<b>Adj. EBITDA Margin</b>	<b>38.0%</b>	<b>(130) bps Adj. Combined</b>

- Organic revenue growth adjusts for M&A activity in the prior period and F/X translation impact (not material in IFS) in current period
- Adj. combined growth adjusts to include the SunGard acquisition in the prior period

For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix.

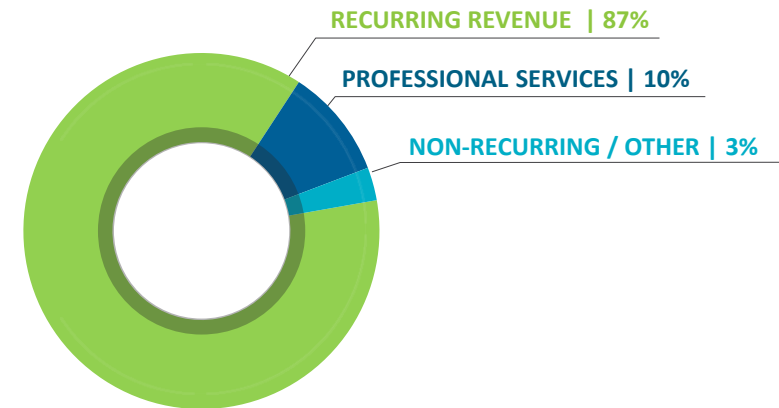
# Integrated Financial Solutions

## Revenue Contribution – Q1

(\$ millions)

	Q1	ORGANIC GROWTH
Banking and Wealth	\$ 489	5.1%
Payments	449	6.7%
Corporate and Digital	184	3.7%
<b>Total Integrated Solutions<sup>(1)</sup></b>	<b>\$ 1,121</b>	<b>5.4%</b>

## Revenue Composition – Q1



## Organic Revenue Drivers

### BANKING AND WEALTH

- Strong professional services in Enterprise Governance, Risk and Compliance
- Growth in print and mail

### PAYMENTS

- Strength in EMV continues to drive meaningful growth
- Strong volume growth in payments network business

### CORPORATE AND DIGITAL

- Continued growth in digital channels

# Global Financial Solutions

## Solutions and Services



### INSTITUTIONAL AND WHOLESALE<sup>(1)</sup>

- Post-Trade Processing
- Global Trading
- Buy Side
- Risk and Compliance



### BANKING AND PAYMENTS

- Core Banking
- Channel Solutions
- Back Office Processing
- Payments



### CONSULTING

- North America
- Europe

IP-LED REVENUE ~85%

<sup>(1)</sup> Assets acquired by FIS through the SunGard acquisition.

# Global Financial Solutions

First Quarter (*\$ millions*)

<b>METRICS</b>	<b>Q1 2016</b>	<b>Y-o-Y Growth vs Q1 2015</b>
<b>Adj. Revenue</b>	<b>\$ 990</b>	<b>4.4% Organic</b>
<b>Adj. EBITDA</b>	<b>\$ 251</b>	<b>12.1% Adj. Combined</b>
<b>Adj. EBITDA Margin</b>	<b>25.4%</b>	<b>270 bps Adj. Combined</b>

- Organic revenue growth adjusts for M&A activity in the prior period and F/X translation impact in current period
- Adj. combined growth adjusts to include the SunGard acquisition in the prior period

For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix.

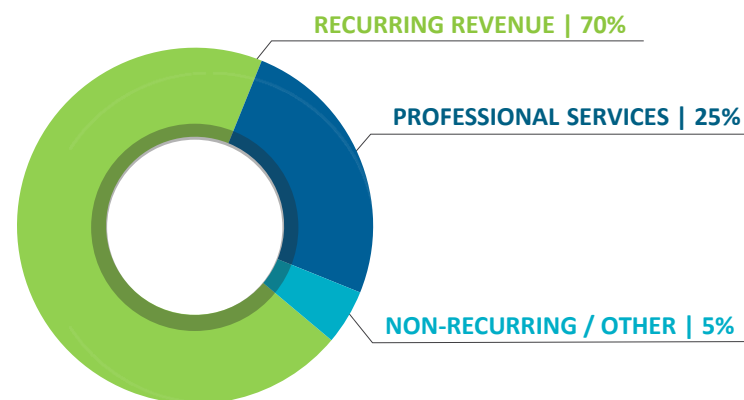
# Global Financial Solutions

## Revenue Contribution – Q1

(\$ millions)

	Q1	ORGANIC GROWTH
Institutional and Wholesale	\$ 504	5.4%
Banking and Payments	351	4.0%
Consulting	136	1.8%
<b>Total Global Solutions<sup>(1)</sup></b>	<b>\$ 990</b>	<b>4.4%</b>

## Revenue Composition – Q1



## Organic Revenue Drivers

### INSTITUTIONAL AND WHOLESALE

- Extensions and expanded scope in Global Trading
- Steady growth in Capital Markets

### BANKING AND PAYMENTS

- Volume growth in Brazil
- Strategic position in growing markets (ex: India)
- Double-digit growth in Clear2Pay

### CONSULTING

- Strong sales quarter and improved book-to-bill ratio

# Corporate and Other

First Quarter (\$ millions)

## METRICS

Q1 2016

Adj. Revenue

\$ 151

Adj. EBITDA

\$ (40)

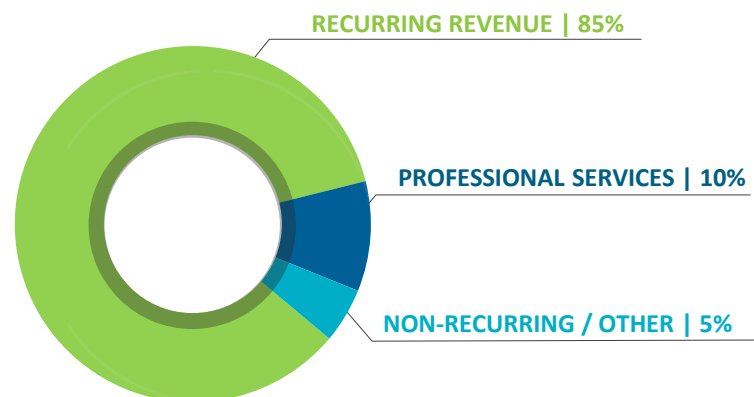
- EBITDA inclusive of \$76M Corporate Expense

### Revenue Contribution – Q1

(\$ millions)

	Q1	ORGANIC GROWTH
Public Sector and Education	\$ 57	7.1%
Global Commercial Services	69	(13.3)%
Retail Check Processing	24	(6.1)%
<b>Total Corporate and Other<sup>(1)</sup></b>	<b>\$ 151</b>	<b>-5.0%</b>

### Revenue Composition – Q1



<sup>(1)</sup> Amounts may not sum due to rounding.

For a description of non-GAAP measures and a reconciliation of GAAP to non-GAAP measures, see Appendix.



# Cash Flow and Capital Allocation Strategy

- **Free cash flow of \$338 million in Q1 2016**
- **Maintaining a strong balance sheet**
  - \$11.3 billion debt outstanding as of March 31, 2016
  - Focus on de-leveraging
- **Shareholder Returns**
  - Return of \$85 million to shareholders through dividends

# Competitive Business Model

- ✓ **STRONG** cash flow generation
- ✓ **MAINTAIN** strong balance sheet
- ✓ **INVEST** in growth

**APPENDIX**



# Debt Summary

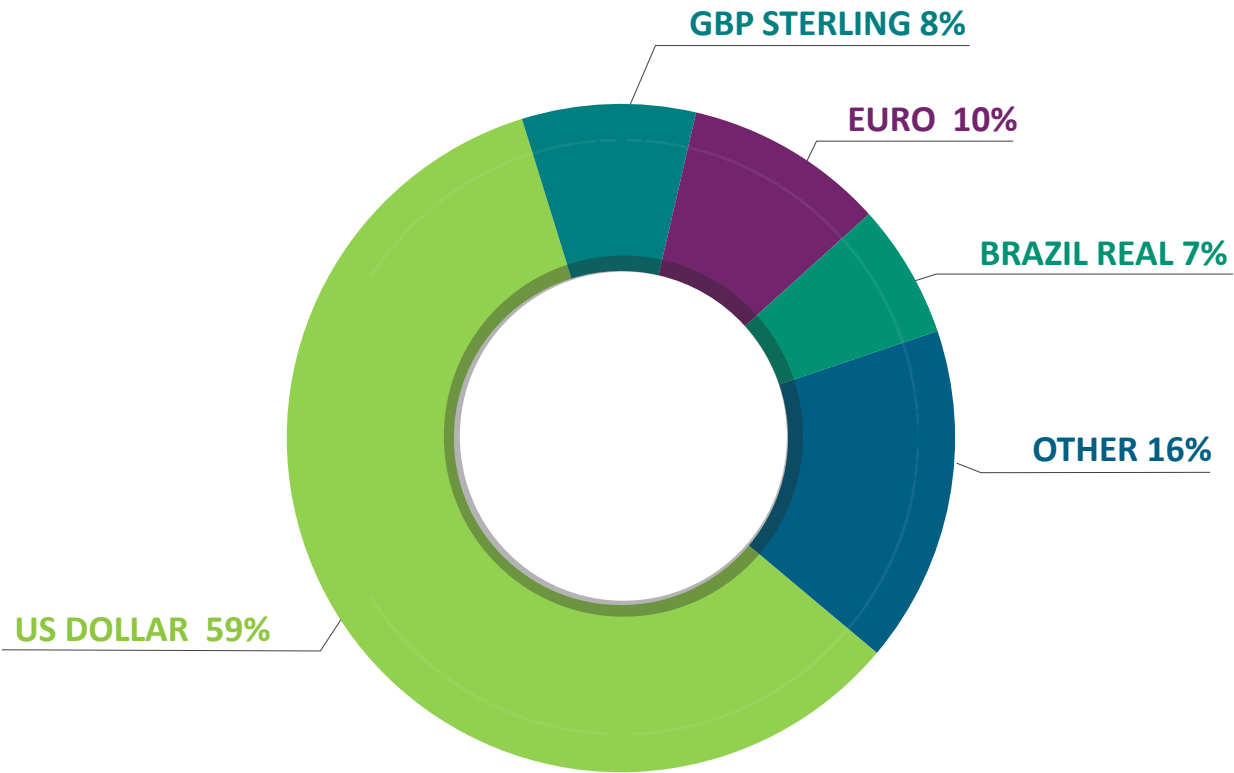
(\$ in millions)

	Rate	Mar 31, 2016	Dec 31, 2015 <sup>(1)</sup>
Revolver (2019 Maturity)	L+125 bps	\$ 1,650	\$ 1,250
<i>Undrawn revolver capacity</i>	<i>15 bps</i>	<i>1,350</i>	<i>1,750</i>
Term Loan (2017 Maturity)	L+125 bps	750	1,300
Term Loan (2018 Maturity)	L+125 bps	1,500	1,500
2017 Notes (June)	1.450%	300	300
2018 Notes (April)	2.000%	250	250
2018 Notes (October)	2.850%	750	750
2020 Notes (October)	3.625%	1,750	1,750
2022 Notes (July)	5.000%	700	700
2022 Notes (October)	4.500%	500	500
2023 Notes (April)	3.500%	1,000	1,000
2024 Notes (June)	3.875%	700	700
2025 Notes (October)	5.000%	1,500	1,500
Other <sup>(1)</sup>	Various	(53)	(56)
<b>Total Debt</b>		<b>\$ 11,297</b>	<b>\$ 11,444</b>
<i>Weighted-Average Interest Rate</i>		<i>3.4%</i>	<i>3.3%</i>

<sup>(1)</sup> December 31, 2015 debt is adjusted to include debt issuance costs. Per FASB issued Accounting Standard Update 2015-03, as of January 2016, debt issuance costs are recorded as a reduction to debt. All calculations related to debt are based on debt gross of debt issuance costs.

# GFS Revenue by Currency

First Quarter



# Forward-Looking Statements

This presentation and today's webcast contain "forward-looking statements" within the meaning of the U.S. federal securities laws. Statements that are not historical facts, including statements about anticipated financial outcomes, including any earnings guidance of the Company, business and market conditions, outlook, foreign currency exchange rates, expected dividends and share repurchases, the Company's sales pipeline and anticipated profitability and growth, as well as other statements about our expectations, hopes, intentions, or strategies regarding the future, are forward-looking statements. These statements relate to future events and our future results, and involve a number of risks and uncertainties. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Any statements that refer to beliefs, expectations, projections or other characterizations of future events or circumstances and other statements that are not historical facts are forward-looking statements.

Actual results, performance or achievement could differ materially from those contained in these forward-looking statements. The risks and uncertainties that forward-looking statements are subject to include, without limitation:

- the risk that acquired businesses will not be integrated successfully, or that the integration will be more costly or more time-consuming and complex than anticipated;
- the risk that cost savings and other synergies anticipated to be realized from acquisitions may not be fully realized or may take longer to realize than expected;
- the risk of doing business internationally;
- changes in general economic, business and political conditions, including the possibility of intensified international hostilities, acts of terrorism, and changes in either or both the United States and international lending, capital and financial markets;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy regulations;
- the risks of reduction in revenue from the elimination of existing and potential customers due to consolidation in, or new laws or regulations affecting, the banking, retail and financial services industries or due to financial failures or other setbacks suffered by firms in those industries;
- changes in the growth rates of the markets for our solutions;
- failures to adapt our solutions to changes in technology or in the marketplace;
- internal or external security breaches of our systems, including those relating to unauthorized access, theft, corruption or loss of personal information and computer viruses and other malware affecting our software or platforms, and the reactions of customers, card associations, government regulators and others to any such events;

# Forward-Looking Statements

- the risk that implementation of software (including software updates) for customers or at customer locations may result in the corruption or loss of data or customer information, interruption of business operations, exposure to liability claims or loss of customers;
- the reaction of current and potential customers to communications from us or regulators regarding information security, risk management, internal audit or other matters;
- competitive pressures on pricing related to our solutions including the ability to attract new, or retain existing, customers;
- an operational or natural disaster at one of our major operations centers; and
- other risks detailed under “Risk Factors” and other sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and other filings with the SEC.

Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition, results of operations and prospects. Accordingly, readers should not place undue reliance on these forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Except as required by applicable law or regulation, we do not undertake (and expressly disclaim) any obligation and do not intend to publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise.

# Non-GAAP Financial Information and Reconciliation

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. For these reasons, management also uses these measures in part to assess its performance.

These non-GAAP measures include: adjusted revenue, adjusted EBITDA, adjusted EBITDA margin, adjusted combined revenue, adjusted combined EBITDA, adjusted combined EBITDA margin, EBITDA, constant currency revenue, organic revenue growth, adjusted net earnings from continuing operations (including per share amounts), adjusted cash flow from operations, and free cash flow. These non-GAAP measures may be used in this presentation and/or in the applicable supplemental financial information.

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 measures. Further, FIS' non-GAAP measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP measures to related GAAP measures, including footnotes describing the specific adjustments, are provided in the attached schedules and in the Investor Relations section of the FIS web site, [www.fisglobal.com](http://www.fisglobal.com).



# Definitions of Non-GAAP Financial Measures

Adjusted revenue includes reported revenue and is increased to adjust for the purchase accounting deferred revenue adjustment 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 but was not recognized due to GAAP purchase accounting adjustments.

Adjusted EBITDA excludes certain costs and other transactions which management deems non-recurring or unusual in nature, the removal of which improves comparability of operating results across reporting periods.

Adjusted EBITDA margin reflects adjusted EBITDA divided by adjusted revenue.

Adjusted combined revenue includes reported revenue for FIS and SunGard combined for periods in 2014 and 2015 and excludes the impacts of SunGard businesses that were divested prior to being purchased by FIS.

Adjusted combined EBITDA includes EBITDA for FIS and SunGard combined for periods in 2014 and 2015 and excludes certain costs and other transactions which management deems non-recurring or unusual in nature, such as purchase accounting amortization, acquisition, integration and severance costs and restructuring costs, the removal of which improves comparability of operating results across reporting periods.

Adjusted combined EBITDA margin reflects adjusted combined EBITDA divided by adjusted combined revenue.

# Definitions of Non-GAAP Financial Measures

EBITDA reflects earnings from continuing operations before interest, taxes, depreciation and amortization.

Constant currency revenue is reported revenue excluding the impact of fluctuations in foreign currency exchange rates in the current period.

Organic revenue growth includes reported revenue, adjusted to exclude revenue of any divestitures, include pre-acquisition revenue for companies acquired during the applicable reporting period and exclude the impact of foreign currency fluctuations.

Adjusted net earnings from continuing operations excludes the after tax impact of certain costs and other transactions which management deems non-recurring or unusual in nature, the removal of which improves comparability of operating results across reporting periods. It also excludes the after tax impact of acquisition-related purchase accounting amortization, which is recurring.

Adjusted net earnings per diluted share, or adjusted EPS, reflects adjusted net earnings from continuing operations divided by weighted average diluted shares outstanding.

Adjusted cash flow from operations reflects GAAP cash flow from operations as adjusted for the net change in settlement assets and obligations, and excludes certain transactions that are closely associated with non-operating activities or are otherwise non-recurring or unusual in nature and not indicative of future operating cash flows.

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.

# Organic Revenue Growth Calculation

First Quarter

	2016			2015			Organic Growth
	Reported	FX	Constant Currency	Reported	In Year Adjustments	Adjusted Base	
Integrated Financial Solutions	\$ 1,121	\$ 1	\$ 1,122	\$ 928	\$ 137	\$ 1,065	5.4%
Global Financial Solutions	990	40	1,030	512	475	987	4.4%
Corporate and Other	151	-	151	115	43	158	-5.0%
<b>Consolidated FIS</b>	<b>\$ 2,262</b>	<b>\$ 41</b>	<b>\$ 2,303</b>	<b>\$ 1,555</b>	<b>\$ 655</b>	<b>\$ 2,210</b>	<b>4.2%</b>

# Reconciliation of GAAP to Non-GAAP Financial Measures

(\$ in Millions, Except Per Share Data, Unaudited)

	Three Months Ended March 31, 2016					
	GAAP	Acquisition Deferred Revenue Adjustment	Acquisition, Integration, and Severance Costs	Subtotal	Purchase Accounting Amortization	Non-GAAP
Processing and services revenue	\$ 2,181	\$ 81	\$ -	\$ 2,262	\$ -	\$ 2,262
Cost of revenues	1,533	-	-	1,533	(154)	1,399
Gross profit	628	81	-	709	154	863
Selling, general and administrative expenses	444	-	(79)	365	-	365
Operating income	184	81	(79)	344	154	498
Other income (expense):						
Interest income (expense), net	(93)	-	-	(93)	-	(93)
Other income (expense), net	(1)	-	-	(1)	-	(1)
Total other income (expense)	(94)	-	-	(94)	-	(94)
Earnings (loss) from continuing operations before income taxes	90	81	(79)	250	154	404
Provision for income taxes	31	28	28	87	54	141
Earnings (loss) from continuing operations, net of tax	59	53	51	163	100	263
Earnings (loss) from discontinued operations, net of tax	-	-	-	-	-	-
Net earnings (loss)	59	53	51	163	100	263
Net (earnings) loss attributable to noncontrolling interest	(4)	-	-	(4)	-	(4)
Net earnings (loss) attributable to FIS common stockholders	55	53	51	159	100	259
<b>Amounts attributable to FIS common stockholders</b>						
Earnings (loss) from continuing operations, net of tax	\$ 55	\$ 53	\$ 51	\$ 159	\$ 100	\$ 259
Earnings (loss) from discontinued operations, net of tax	-	-	-	-	-	-
Net earnings (loss) attributable to FIS common stockholders	55	53	51	159	100	259
Net earnings (loss) per share - diluted from continuing operations attributable to FIS common stockholders	\$ 0.17	\$ 0.16	\$ 0.16	\$ 0.49	\$ 0.31	\$ 0.79
Weighted average shares outstanding - diluted	327	327	327	327	327	327

# Reconciliation of GAAP to Non-GAAP Financial Measures

(\$ in Millions, Unaudited)

	Three Months Ended March 31, 2016			
	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,121	\$ 990	\$ 70	\$ 2,181
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	81	81
Adjusted processing and services revenue from continuing operations	\$ 1,121	\$ 990	\$ 151	\$ 2,262
Operating income (loss)	\$ 359	\$ 187	\$ (362)	\$ 184
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	81	81
Acquisition, integration and severance costs	-	-	79	79
Purchase accounting amortization	1	6	147	154
Non-GAAP operating income (loss)	360	193	(55)	498
Depreciation and amortization from continuing operations	66	58	15	139
Adjusted EBITDA	\$ 426	\$ 251	\$ (40)	\$ 637
Non-GAAP operating margin	32.1%	19.5%	N/M	22.0%
Adjusted EBITDA margin	38.0%	25.4%	N/M	28.2%