



## FIS Reports Second Quarter 2020 Results

- Results demonstrated the power and durability of FIS’ unique business model
- Increased revenue 40% on a reported basis and (7)% on an organic basis to \$2,962 million
- Achieved annual run-rate revenue synergies of approximately \$115 million and annual run-rate expense synergies in excess of \$700 million
- Earned Diluted EPS (GAAP) of \$0.03 and Adjusted EPS of \$1.15
- Generated net cash provided by operating activity of \$1,231 million and free cash flow of \$655 million

JACKSONVILLE Fla., August 4, 2020 - [FIS™](#) (NYSE:FIS), a global leader in financial services technology, today reported its second quarter 2020 results.

### Second Quarter 2020 Results

On a GAAP basis, revenue increased 40% to \$2,962 million, primarily driven by the July 31, 2019 acquisition of Worldpay, Inc. (Worldpay). Net earnings attributable to common stockholders was \$19 million or \$0.03 per diluted share.

On an organic basis, revenue decreased 7% compared to the prior year period, primarily due to reduced consumer spending trends caused by shelter-in-place, lockdown orders and other impacts associated with the ongoing COVID-19 pandemic. Organic growth was also impacted by a headwind of approximately 2%, or \$60 million, associated with the U.S. tax filing deadline transitioning from the second quarter to the third quarter of 2020. Adjusted EBITDA margin expanded by 150 basis points (bps) over the prior year period to 39.1%, primarily driven by disciplined expense management as well as the acquisition of Worldpay and achievement of associated synergies. Adjusted net earnings were \$718 million or \$1.15 per diluted share.

“Our second quarter results reflect our ability to leverage the strength of our broad portfolio and the resiliency of our business model to successfully position FIS in attractive markets and execute on our growth strategy,” said Gary Norcross, FIS chairman, president and chief executive officer. “Throughout the pandemic, we have continued to invest in our technology and solutions, as our clients look for new and innovative ways to operate their businesses. As we continue to drive value to our shareholders, we embrace our responsibility to strive for sustained social change both domestically and globally.”

(\$ millions, except per share data, unaudited)

	<b>Three Months Ended June 30,</b>			
	<b>2020</b>	<b>2019</b>	<b>% Change</b>	<b>Organic Growth</b>
Revenue	\$ 2,962	\$ 2,112	40%	(7)%
Merchant Solutions	812	97	*	(25)%
Banking Solutions	1,479	1,357	9%	4%
Capital Market Solutions	629	594	6%	3%
Corporate and Other	42	64	(35)%	*
Adjusted EBITDA	\$ 1,157	\$ 794	46%	
Adjusted EBITDA Margin	39.1%	37.6%	150 bps	
Net earnings attributable to FIS common stockholders (GAAP)	\$ 19	\$ 154	(88)%	
Diluted EPS (GAAP)	\$ 0.03	\$ 0.47	(94)%	
Adjusted net earnings	\$ 718	\$ 424	69%	
Adjusted EPS	\$ 1.15	\$ 1.30	(12)%	

\* Indicates comparison not meaningful

## **Segment Information**

- Merchant Solutions:

Second quarter revenue increased significantly to \$812 million, primarily reflecting the Worldpay acquisition. On an organic basis, revenue decreased 25% when compared to the prior year period, primarily due to reduced consumer spending trends caused by shelter-in-place, lockdown orders, travel restrictions and other impacts associated with the ongoing COVID-19 pandemic. Organic growth was also impacted by a headwind of approximately 6%, or \$60 million, associated with the U.S. tax filing deadline transitioning from the second quarter to the third quarter of 2020. Adjusted EBITDA margin was 40.8%.

- Banking Solutions:

Second quarter revenue increased 9% to \$1,479 million. On an organic basis, revenue increased 4% when compared to the prior year period as strong growth in core processing was partially offset by a headwind of approximately 1% associated with the decline in transaction-related revenue caused by shelter-in-place and lockdown orders and other impacts associated with the ongoing COVID-19 pandemic. Adjusted EBITDA margin was 41.1%.

- Capital Market Solutions:

Second quarter revenue increased 6% to \$629 million. On an organic basis, revenue increased 3% when compared to the prior year period driven by growth in our buy and sell-side solutions. Adjusted EBITDA margin was 45.6%.

- Corporate and Other:

Second quarter revenue decreased 35% to \$42 million. Adjusted EBITDA loss was \$69 million, including \$76 million of corporate expenses.

## **Integration Update**

The Company achieved annual run-rate synergies exiting the second quarter of 2020 as follows:

- Revenue synergies of approximately \$115 million, including the origination of additional new bank referral agreements, debit routing benefits and Premium Payback product cross-selling wins during the second quarter.
- Expense synergies in excess of \$700 million, including approximately \$350 million of operational expense savings, approximately \$275 million of interest expense savings and approximately \$90 million of depreciation and amortization savings.

The integration of the Worldpay acquisition and achievement of associated synergies are progressing well ahead of schedule. As a result, the Company remains on track to meet or exceed its previously stated revenue and expense synergy targets for both year-end 2020 and 2022.

## **Balance Sheet and Cash Flows**

As of June 30, 2020, the Company had \$3,467 million of available liquidity, including \$1,183 million of cash and cash equivalents and \$2,284 million of capacity available under its revolving credit facility. Debt outstanding totaled \$19,868 million with an effective weighted average interest rate of 1.7%.

Second quarter net cash provided by operating activities was \$1,231 million, and free cash flow was \$655 million. Additionally, FIS paid dividends of \$217 million during the quarter.

## **COVID-19 Update**

COVID-19 continued to impact our financial results in the second quarter of 2020. In certain locations, where government lockdowns and shelter in place orders have been loosened, consumer spending impacting our Merchant Solutions payments volume and transaction revenue have partially recovered, while certain verticals like travel, entertainment and hospitality continue to be significantly impacted. The Company's revenue continues to be impacted by payment processing volumes within our Merchant Solutions segment and, to a lesser extent transaction volumes within our Banking Solutions segment, but both have started to

improve in the second quarter of 2020. In response to COVID-19, we are continuing to take several actions to manage discretionary expenses, including prohibiting most travel and decreasing third-party spending as well as accelerating automation and functional alignment across the organization. The Company's liquidity remains strong and improved this quarter, as noted above.

As a result of government lockdowns, we have successfully outfitted employees to provide services from home or transferred work to other locations. Nearly 95% of our employees remain in a work-from-home status and have been effectively outfitted to continue to provide all necessary services to our clients. We will continue this work-from-home status in most locations this year, as the safety of our employees is our top priority. FIS has also helped its clients and communities through this period by providing virtual terminals, waiving certain fees for small merchants, contributing masks and supplies to the communities in which it does business, leveraging our Real Time Lending service to help banking clients process loans and foreclosures under the CARES Act, assisting a number of U.S. states to enable online purchasing of food for Supplemental Nutrition Assistance Program (SNAP) benefit recipients under a pilot program run by the U.S. Department of Agriculture (USDA) and donating to a number of hard hit communities and groups of impacted people therein. For its employees, the Company has expanded sick leave for employees affected by COVID-19, expanded telemedicine internationally, provided special pay for certain employees involved in critical infrastructure who could not work from home, and expanded its FIS Cares program to benefit employees in need around the world.

### **Webcast**

FIS will sponsor a live webcast of its earnings conference call with the investment community beginning at 8:30 a.m. (EST) Tuesday, August 4, 2020. To access the webcast, go to the [Investor Relations](#) section of FIS' homepage, [www.fisglobal.com](http://www.fisglobal.com). A replay will be available after the conclusion of the live webcast.

### **About FIS**

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our over 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

To learn more, visit [www.fisglobal.com](http://www.fisglobal.com). Follow FIS on [Facebook](#), [LinkedIn](#) and Twitter ([@FISGlobal](#)).

### **FIS Use of Non-GAAP Financial Information**

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting in the United States. 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, we have provided certain non-GAAP financial measures.

These non-GAAP measures include constant currency revenue, organic revenue growth, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net earnings, adjusted EPS, and free cash flow. These non-GAAP measures may be used in this release and/or in the attached supplemental financial information.

We believe these non-GAAP measures help investors better understand the underlying fundamentals of our business. As further described below, the non-GAAP revenue and earnings measures presented eliminate items management believes are not indicative of FIS' operating performance. The constant currency and organic revenue growth measures adjust for the effects of exchange rate fluctuations, while organic revenue growth also adjusts for acquisitions and divestitures, giving investors further insight into our performance. Finally, free cash flow provides further information about the ability of our business to generate cash. For these reasons, management also uses these non-GAAP measures in its assessment and management of FIS' performance.

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

**Organic revenue growth** is constant currency revenue, as defined above, for the current period compared to an adjusted revenue base for the prior period, which is adjusted to add pre-acquisition revenue of acquired businesses for a portion of the prior year matching the portion of the current year for which the business was owned, and subtract pre-divestiture revenue for divested

businesses for the portion of the prior year matching the portion of the current year for which the business was not owned, for any acquisitions or divestitures by FIS.

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

**Adjusted EBITDA** is EBITDA, as defined above, excluding certain costs and other transactions which management deems non-operational in nature, the removal of which improves comparability of operating results across reporting periods. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, adjusted EBITDA, as it relates to our segments, is presented in conformity with Accounting Standards Codification 280, Segment Reporting, and is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K.

**Adjusted EBITDA margin** reflects adjusted EBITDA, as defined above, divided by revenue.

**Adjusted net earnings** excludes the impact of certain costs and other transactions which management deems non-operational in nature, the removal of which improves comparability of operating results across reporting periods. It also excludes the impact of acquisition-related purchase accounting amortization and equity method investment earnings (loss), both of which are recurring.

**Adjusted EPS** reflects adjusted net earnings, as defined above, divided by weighted average diluted shares outstanding.

**Free cash flow** reflects net cash provided by operating activities, adjusted for the net change in settlement assets and obligations and excluding certain transactions that are closely associated with non-operating activities or are otherwise non-operational in nature and not indicative of future operating cash flows, 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.

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 website, [www.fisglobal.com](http://www.fisglobal.com).

### **Forward-Looking Statements**

This earnings release 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, projected revenue or expense synergies, business and market conditions, outlook, foreign currency exchange rates, deleveraging plans, expected dividends and share repurchases, the Company's sales pipeline and anticipated profitability and growth, as well as other statements about our expectations, beliefs, 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 to which forward-looking statements are subject include the following, without limitation:

- the outbreak of the novel coronavirus ("COVID-19") and measures to reduce its spread, including the impact of governmental or voluntary actions such as business shutdowns and stay-at-home orders;
- the duration of the COVID-19 pandemic and its impacts, including the general impact of an economic recession, reductions in consumer and business spending, and instability of the financial markets across the globe;
- the economic and other impacts of COVID-19 on our clients which affect the sales of our solutions and services and the implementation of such solutions;
- the risk of losses in the event of defaults by merchants (or other parties) to which we extend credit in our card settlement operations or in respect of any chargeback liability, either of which could adversely impact liquidity;

- changes in general economic, business and political conditions, including those resulting from COVID-19 or other pandemics, intensified international hostilities, acts of terrorism, changes in either or both the United States and international lending, capital and financial markets and currency fluctuations;
- the risk that the Worldpay transaction will not provide the expected benefits or that we will not be able to achieve the cost or revenue synergies anticipated;
- the risk that the integration of FIS and Worldpay will be more difficult, time-consuming or expensive than anticipated;
- the risk that other 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 other acquisitions may not be fully realized or may take longer to realize than expected;
- the risks of doing business internationally;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy and cybersecurity laws and 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;
- the risk that implementation of software, including software updates, for customers or at customer locations or employee error in monitoring our software and platforms may result in the corruption or loss of data or customer information, interruption of business operations, outages, 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 the decreasing number of community banks in the U.S., the development of new disruptive technologies competing with one or more of our solutions, increasing presence of international competitors in the U.S. market and the entry into the market by global banks and global companies with respect to certain competitive solutions, each of which may have the impact of unbundling individual solutions from a comprehensive suite of solutions we provide to many of our customers;
- the failure to innovate in order to keep up with new emerging technologies, which could impact our solutions and our ability to attract new, or retain existing, customers;
- an operational or natural disaster at one of our major operations centers;
- failure to comply with applicable requirements of payment networks or changes in those requirements;
- fraud by merchants or bad actors; and
- other risks detailed in the “Risk Factors” and other sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, in our quarterly reports on Form 10-Q and in our other filings with the Securities and Exchange Commission.

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.

#### **For More Information**

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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	\$ 19	\$ 154	\$ 35	\$ 302
Net earnings per share-basic attributable to FIS common	\$ 0.03	\$ 0.48	\$ 0.06	\$ 0.93
Weighted average shares outstanding-basic	618	324	617	323
Net earnings per share-diluted attributable to FIS common stockholders	\$ 0.03	\$ 0.47	\$ 0.06	\$ 0.92
Weighted average shares outstanding-diluted	625	327	625	327

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

**Exhibit B**

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>		
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	<u>8,600</u>	<u>8,692</u>
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	<u>\$ 82,642</u>	<u>\$ 83,806</u>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY</b>		
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	<u>12,117</u>	<u>10,382</u>
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	<u>33,409</u>	<u>34,350</u>
Redeemable noncontrolling interest	<u>176</u>	<u>—</u>
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	<u>49,043</u>	<u>49,440</u>
Noncontrolling interest	14	16
Total equity	<u>49,057</u>	<u>49,456</u>
Total liabilities, redeemable noncontrolling interest and equity	<u>\$ 82,642</u>	<u>\$ 83,806</u>

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

**Exhibit C**

	Six months ended June 30,	
	2020	2019
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>
<b>Cash flows from investing activities:</b>		
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>
<b>Cash flows from financing activities:</b>		
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)%
<b>Total</b>	<b>\$ 2,962</b>	<b>\$ 24</b>	<b>\$ 2,986</b>	<b>\$ 2,112</b>	<b>\$ 1,093</b>	<b>\$ 3,206</b>	<b>(7)%</b>

	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)%
<b>Total</b>	<b>\$ 6,039</b>	<b>\$ 40</b>	<b>\$ 6,079</b>	<b>\$ 4,169</b>	<b>\$ 2,083</b>	<b>\$ 6,252</b>	<b>(3)%</b>

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	<u>\$ 1,157</u>	<u>\$ 794</u>	<u>\$ 2,404</u>	<u>\$ 1,523</u>

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.