

Third Quarter 2017 Earnings Call

October 31, 2017

Empowering
the Financial World 

Agenda

TOPIC	SPEAKER
Business Summary	Gary Norcross <i>President and CEO</i>
Financial Summary	Woody Woodall <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 October 31, 2017, our annual report on Form 10-K for 2016 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.



Business Summary

Gary Norcross

President and CEO

Third Quarter Highlights

- **\$2.2 BILLION** adjusted revenue
- **\$1.18** adjusted EPS
- **CONFIDENCE** in increased full-year earnings outlook

Third Quarter Business Update

- **Integrated Financial Solutions (IFS)**
 - Demand continues for business solutions
 - Balanced growth in retail banking and wealth
- **Global Financial Solutions (GFS)**
 - Broad demand for risk, compliance and global securities continues
 - Growth in buy-side and post-trade solutions

Strategic Growth Levers

- **EXECUTE** on differentiating capabilities
- **CAPITALIZE** on global scale
- **INVEST** for long-term success



Financial Summary

Woody Woodall

Chief Financial Officer

Consolidated Results

Third quarter (Q3) and nine months (YTD) 2017 (\$ millions, except per share data)

METRICS	Q3 2017	Y-o-Y vs Q3 2016
Adj. Revenue	\$ 2,200	0.8% Organic ⁽¹⁾
Adj. EBITDA	\$ 760	(0.8)%
Adj. EBITDA Margin	34.5%	180 bps
Adj. EPS	\$ 1.18	18.0%
METRICS	YTD 2017	Y-o-Y vs YTD 2016
Adj. Revenue	\$ 6,800	1.6% Organic ⁽¹⁾
Adj. EBITDA	\$ 2,187	4.2%
Adj. EBITDA Margin	32.2%	210 bps
Adj. EPS	\$ 3.06	13.8%

Integrated Financial Solutions

Third quarter (Q3) and nine months (YTD) 2017 (\$ millions)

METRICS	Q3 2017	Y-o-Y vs Q3 2016
Revenue	\$ 1,120	1.3% Organic ⁽¹⁾
Adj. EBITDA	\$ 458	1.0%
<i>Adj. EBITDA Margin</i>	40.9%	20 bps
METRICS	YTD 2017	Y-o-Y vs YTD 2016
Revenue	\$ 3,430	1.8% Organic ⁽¹⁾
Adj. EBITDA	\$ 1,369	3.4%
<i>Adj. EBITDA Margin</i>	39.9%	70 bps

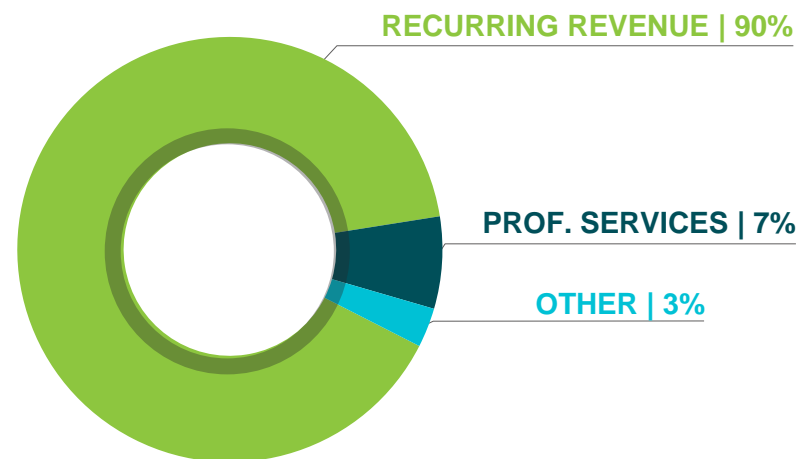
Integrated Financial Solutions

Revenue Contribution

(\$ millions)

	Third Quarter	Organic Growth
Banking and Wealth	\$ 468	3.8%
Payments	454	(1.8)%
Corporate and Digital	199	3.5%
Total Integrated Financial Solutions⁽¹⁾	\$ 1,120	1.3%

Revenue Composition – Q3



Organic Revenue Drivers

BANKING AND WEALTH

- Balanced demand across solutions

PAYMENTS

- EMV comparable

CORPORATE AND DIGITAL

- Corporate digital payments

Global Financial Solutions

Third quarter (Q3) and nine months (YTD) 2017 (\$ millions)

METRICS	Q3 2017	Y-o-Y vs Q3 2016
Revenue	\$ 997	2.5% Organic ⁽¹⁾
Adj. EBITDA	\$ 359	4.7%
<i>Adj. EBITDA Margin</i>	36.0%	390 bps
METRICS	YTD 2017	Y-o-Y vs YTD 2016
Revenue	\$ 3,092	3.2% Organic ⁽¹⁾
Adj. EBITDA	\$ 973	10.5%
<i>Adj. EBITDA Margin</i>	31.5%	320 bps



(1) Organic revenue growth adjusts for FX translation and M&A activity, for a detailed definition see Appendix.

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

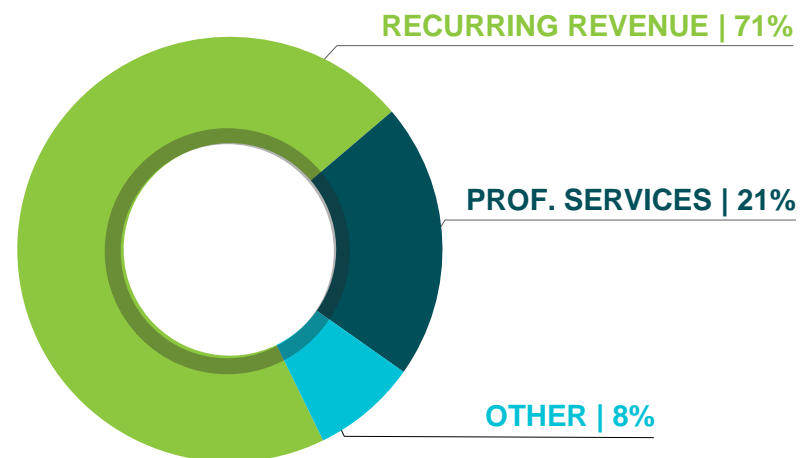
Global Financial Solutions

Revenue Contribution

(\$ millions)

	Third Quarter	Organic Growth
Institutional and Wholesale	\$ 528	6.3%
Banking and Payments	425	(2.2)%
Consulting ⁽¹⁾	45	n/a
Total Global Financial Solutions⁽²⁾	\$ 997	2.5%

Revenue Composition – Q3



Organic Revenue Drivers

INSTITUTIONAL AND WHOLESALE

- Demand for risk, compliance and global securities
- Post-trade derivatives growth

BANKING AND PAYMENTS

- Conversion milestone grow-over from prior year period

CONSULTING

- Final reporting period

(1) Divested July 31, 2017, represents final month of revenue contribution.

(2) Amounts may not sum due to rounding.

Corporate and Other

Third quarter (Q3) and nine months (YTD) 2017 (\$ millions)

METRICS	Q3 2017	Y-o-Y vs Q3 2016
Adj. Revenue	\$ 83	(20.6)% Organic ⁽¹⁾
Adj. EBITDA	\$ (57)	n/a
<i>Corporate Expense</i>	\$ 75	0.2%
METRICS	YTD 2017	Y-o-Y vs YTD 2016
Adj. Revenue	\$ 278	(14.8)% Organic ⁽¹⁾
Adj. EBITDA	\$ (155)	n/a
<i>Corporate Expense</i>	\$ 219	(3.9)%

Cash Flow and Capital Allocation Strategy

- **Cash flow generation**

- Free cash flow of \$402 million in Q3 2017 and \$1,044 million YTD

- **Maintaining a strong balance sheet**

- \$9.1 billion debt outstanding as of September 30, 2017

- **Shareholder returns**

- Dividends of \$97 million in Q3 2017 and \$289 million YTD

2017 Guidance Updated

(\$ millions, except per share data)

METRICS	FY 2017 Guidance (as of 8/2/17)	FY 2017 Guidance (as of 10/31/17)
Consolidated Organic Revenue Growth	2% – 3%	No Change
IFS Organic Revenue Growth	3% – 4%	2.5% – 3%
GFS Organic Revenue Growth	4% – 5%	No Change
Adjusted EPS	\$4.22 – \$4.32 10% – 13%	\$4.38 – \$4.43 15% – 16%



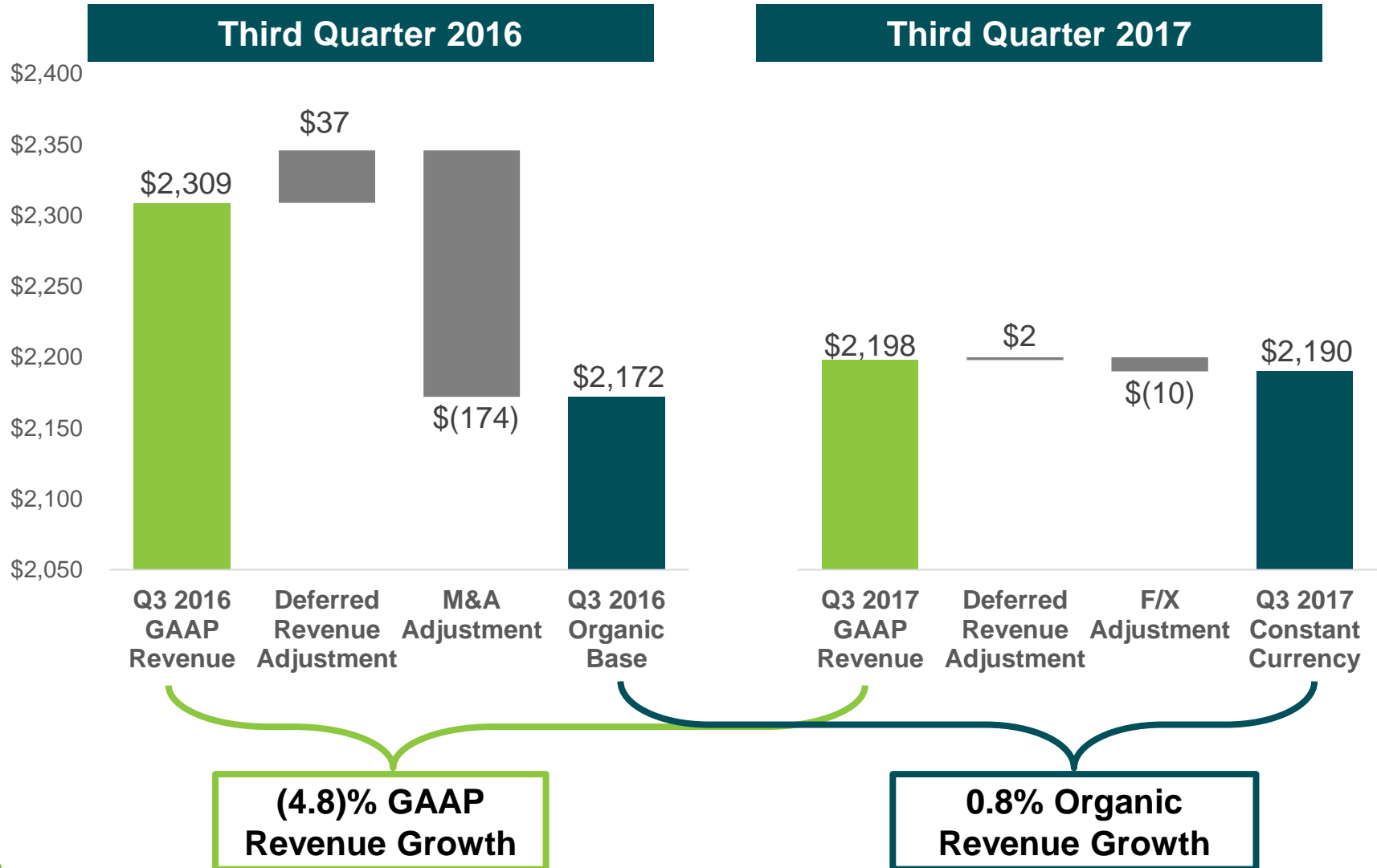
Competitive Business Model

- **GENERATE** strong cash flow
- **MAINTAIN** attractive balance sheet
- **INVEST** in growth

APPENDIX

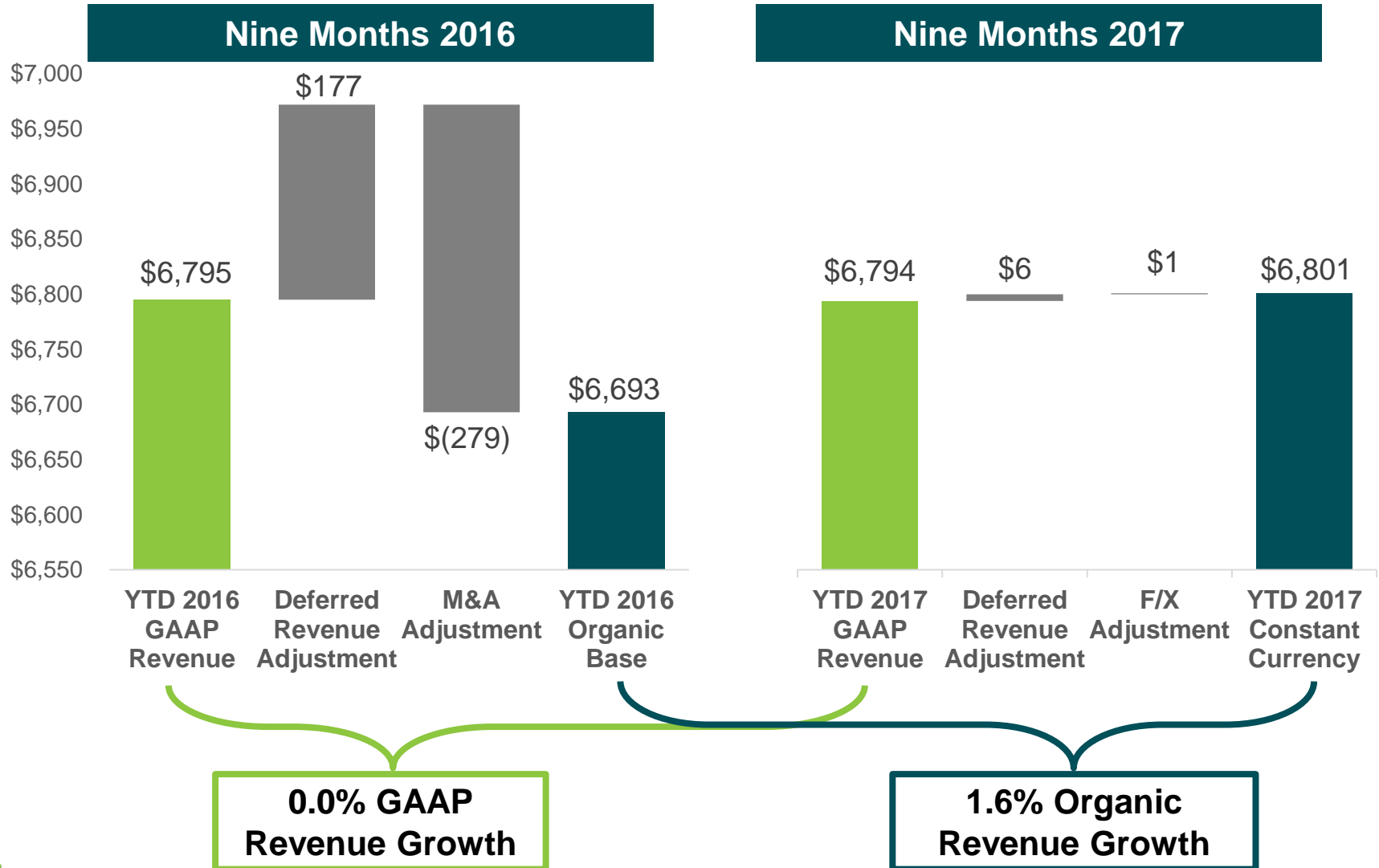
Consolidated Q3 GAAP to Organic Growth Bridge

(\$ millions)



Consolidated YTD GAAP to Organic Growth Bridge

(\$ millions)



Forward-looking Statements

This presentation and today's webcast may contain statements, estimates or projections that constitute "forward-looking statements" pursuant to the safe harbor provisions of the U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from FIS' historical experience and our present expectations or projections. These risks include, but are not limited to, changes in general economic, business and political conditions, developmental and conversion delays or disruptions inherent with new software products, technology and outsourcing solutions, results of new solutions or collaborations with third parties, and 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, changes in the growth rates of the markets for our solutions, and other risks detailed in our filings with the Securities and Exchange Commission (SEC), including the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2016, and subsequent SEC filings. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. FIS undertakes no obligation to publicly update or revise any 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, changes in either or both the United States and international lending, capital and financial markets, and currency fluctuations;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy regulations;

Forward-looking Statements

- 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 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 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 could impact 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, 2016 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, we have provided certain non-GAAP financial measures.

These non-GAAP measures include adjusted revenue, EBITDA, adjusted EBITDA, adjusted EBITDA margin, 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 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's core operating performance. The "constant currency" and "organic revenue" measures adjust for the effects of exchange rate fluctuations, while organic revenue also adjusts for acquisitions and divestitures, giving investors further insight into our core performance. Finally, the non-GAAP cash flow measures provide 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's performance.

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.

Non-GAAP Financial Information and Reconciliation

Adjusted revenue consists of processing and services revenue, increased to reverse the purchase accounting deferred revenue adjustment made upon the acquisition of SunGard. The deferred revenue adjustment represents revenue that would have been recognized in the normal course of business by SunGard under GAAP but was not recognized due to GAAP purchase accounting adjustments. The deferred revenue adjustment in purchase accounting was made entirely in the Corporate and Other segment; reported GAAP results for the IFS and GFS segments are not affected by this adjustment and, therefore, no adjusted revenue is presented for these segments.

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

Adjusted EBITDA excludes 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 divided by adjusted revenue.

Constant currency revenue represents (i) adjusted revenue in respect of the consolidated results and the corporate and other segment and (ii) reported revenue in respect of the IFS and GFS segments, in each case 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 further adjusted to exclude the impact of any acquisitions and divestitures by FIS during the applicable reporting period.

Non-GAAP Financial Information and Reconciliation

Adjusted net earnings from continuing operations 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, 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-operational 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

Third quarter (Q3) 2017 (\$ millions)

Three months ended September 30, 2017

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,120	\$ 997	\$ 81	\$ 2,198
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	2	2
Adjusted processing and services revenue	\$ 1,120	\$ 997	\$ 83	\$ 2,200
Currency translation adjustment	-	(10)	-	(10)
Constant currency (A)	\$ 1,120	\$ 987	\$ 83	\$ 2,190

Three months ended September 30, 2016

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 1,114	\$ 1,068	\$ 127	\$ 2,309
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	37	37
Adjusted processing and services revenue	\$ 1,114	\$ 1,068	\$ 164	\$ 2,346
M&A adjustment	(9)	(105)	(60)	(174)
Adjusted base (B)	\$ 1,105	\$ 963	\$ 104	\$ 2,172
Organic revenue growth A / B	1.3%	2.5%	(20.6)%	0.8%



Organic Revenue Growth Calculation

Nine months (YTD) 2017 (\$ millions)

Nine months ended September 30, 2017

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 3,430	\$ 3,092	\$ 272	\$ 6,794
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	6	6
Adjusted processing and services revenue	\$ 3,430	\$ 3,092	\$ 278	\$ 6,800
Currency translation adjustment	2	(2)	1	1
Constant currency (A)	\$ 3,432	\$ 3,090	\$ 279	\$ 6,801

Nine months ended September 30, 2016

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Processing and services revenue	\$ 3,379	\$ 3,106	\$ 310	\$ 6,795
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	177	177
Adjusted processing and services revenue	\$ 3,379	\$ 3,106	\$ 487	\$ 6,972
M&A adjustment	(9)	(110)	(160)	(279)
Adjusted base (B)	\$ 3,370	\$ 2,996	\$ 327	\$ 6,693
Organic revenue growth A / B	1.8%	3.2%	(14.8)%	1.6%



Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net earnings from continuing operations attributable to FIS	\$ 61	\$ 185	\$ 331	\$ 360
Provision for income taxes	51	103	262	200
Interest expense, net	84	98	267	284
Other, net	192	12	147	21
Operating income, as reported	\$ 388	\$ 398	\$ 1,007	\$ 865
FIS depreciation and amortization from continuing operations, excluding purchase accounting amortization	163	148	482	431
FIS non-GAAP adjustments:				
Purchase accounting amortization	185	144	551	445
Acquisition, integration and severance	22	39	141	181
Acquisition deferred revenue adjustment	2	37	6	177
Adjusted EBITDA	\$ 760	\$ 766	\$ 2,187	\$ 2,099

Reconciliation of GAAP to Non-GAAP Financials

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Earnings from continuing operations before income taxes and equity method investment earnings	\$ 122	\$ 294	\$ 617	\$ 573
Provision for income taxes	51	103	262	200
Net earnings attributable to noncontrolling interest	(10)	(6)	(24)	(13)
Net earnings from continuing operations attributable to FIS	\$ 61	\$ 185	\$ 331	\$ 360
FIS non-GAAP adjustments:				
Purchase accounting amortization	185	144	551	445
Acquisition, integration and severance	22	39	141	181
Acquisition deferred revenue adjustment	2	37	6	177
Loss (gain) on sale of businesses	33	-	(55)	-
Debt financing activities	167	4	196	4
Provision for income taxes on non-GAAP adjustments	(73)	(78)	(145)	(282)
Total non-GAAP adjustments	\$ 336	\$ 146	\$ 694	\$ 525
Adjusted net earnings (loss) from continuing operations, net of tax	\$ 397	\$ 330	\$ 1,025	\$ 885
Net earnings per share - diluted from continuing operations attributable to FIS common stockholders	\$ 0.18	\$ 0.56	\$ 0.99	\$ 1.09
FIS non-GAAP adjustments:				
Purchase accounting amortization	0.55	0.44	1.64	1.35
Acquisition, integration and severance	0.07	0.12	0.42	0.55
Acquisition deferred revenue adjustment	0.01	0.11	0.02	0.54
Loss (gain) on sale of businesses	0.10	-	(0.16)	-
Debt financing activities	0.50	0.01	0.59	0.01
Provision for income taxes on non-GAAP adjustments	(0.22)	(0.24)	(0.43)	(0.86)
Adjusted net earnings (loss) per share - diluted from continuing operations attributable to FIS common stockholders	\$ 1.18	\$ 1.00	\$ 3.06	\$ 2.69
Weighted average shares outstanding-diluted	336	330	335	329

Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, unaudited)

	Three months ended September 30, 2017	Nine months ended September 30, 2017
Net cash provided by operating activities	\$ 534	\$ 1,079
Non-GAAP adjustments:		
Acquisition, integration and severance payments	11	74
Tax payments on divestitures	-	312
Settlement activity	8	27
Adjusted cash flows from operations	\$ 553	\$ 1,492
Capital expenditures	(151)	(448)
Free cash flow	\$ 402	\$ 1,044

	Three months ended September 30, 2016	Nine months ended September 30, 2016
Net cash provided by operating activities	\$ 522	\$ 1,342
Non-GAAP adjustments:		
Capco acquisition related payments	-	20
Acquisition, integration and severance payments	51	135
Settlement activity	6	4
Adjusted cash flows from operations	\$ 579	\$ 1,501
Capital expenditures	(153)	(446)
Free cash flow	\$ 426	\$ 1,055