



# Supplemental Financial Data and GAAP to Non-GAAP Reconciliations

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Third Quarter 2020

Fidelity National Information Services, Inc.  
Earnings Release Supplemental Financial Information  
October 29, 2020

- Exhibit A      Condensed Consolidated Statements of Earnings - Unaudited for the three and nine months ended September 30, 2020 and 2019
  
- Exhibit B      Condensed Consolidated Balance Sheets - Unaudited as of September 30, 2020 and December 31, 2019
  
- Exhibit C      Condensed Consolidated Statements of Cash Flows - Unaudited for the nine months ended September 30, 2020 and 2019
  
- Exhibit D      Supplemental Non-GAAP Financial Information - Unaudited for the three and nine months ended September 30, 2020 and 2019
  
- Exhibit E      Supplemental GAAP to Non-GAAP Reconciliations - Unaudited for the three and nine months ended September 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 September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 3,197	\$ 2,822	\$ 9,236	\$ 6,991
Cost of revenue	2,104	1,838	6,238	4,623
Gross profit	1,093	984	2,998	2,368
Selling, general, and administrative expenses	862	757	2,613	1,435
Asset impairments	—	87	—	87
Operating income	231	140	385	846
Other income (expense):				
Interest expense, net	(84)	(95)	(252)	(242)
Other income (expense), net	(4)	164	31	(8)
Total other income (expense), net	(88)	69	(221)	(250)
Earnings (loss) before income taxes and equity method investment earnings (loss)	143	209	164	596
Provision (benefit) for income taxes	121	48	94	119
Equity method investment earnings (loss)	—	(5)	(9)	(18)
Net earnings	22	156	61	459
Net (earnings) loss attributable to noncontrolling interest	(2)	(2)	(7)	(3)
Net earnings attributable to FIS common stockholders	\$ 20	\$ 154	\$ 54	\$ 456
Net earnings per share-basic attributable to FIS common stockholders	\$ 0.03	\$ 0.30	\$ 0.09	\$ 1.18
Weighted average shares outstanding-basic	620	516	618	388
Net earnings per share-diluted attributable to FIS common stockholders	\$ 0.03	\$ 0.29	\$ 0.09	\$ 1.15
Weighted average shares outstanding-diluted	627	524	626	396

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

**Exhibit B**

	September 30, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,826	\$ 1,152
Settlement deposits and merchant float	2,840	2,882
Trade receivables, net	3,146	3,242
Contract assets	164	124
Settlement receivables	774	647
Other receivables	361	337
Prepaid expenses and other current assets	823	308
Total current assets	9,934	8,692
Property and equipment, net	914	900
Goodwill	52,567	52,242
Intangible assets, net	14,224	15,798
Software, net	3,301	3,204
Other noncurrent assets	1,404	2,303
Deferred contract costs, net	851	667
Total assets	\$ 83,195	\$ 83,806
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY</b>		
Current liabilities:		
Accounts payable, accrued and other liabilities	\$ 2,586	\$ 2,374
Settlement payables	4,438	4,228
Deferred revenue	775	817
Short-term borrowings	3,144	2,823
Current portion of long-term debt	1,832	140
Total current liabilities	12,775	10,382
Long-term debt, excluding current portion	15,213	17,229
Deferred income taxes	4,172	4,281
Other noncurrent liabilities	1,768	2,406
Deferred revenue	46	52
Total liabilities	33,974	34,350
Redeemable noncontrolling interest	176	—
Equity:		
FIS stockholders' equity:		
Preferred stock \$0.01 par value	—	—
Common stock \$0.01 par value	6	6
Additional paid in capital	45,821	45,358
Retained earnings	3,556	4,161
Accumulated other comprehensive earnings (loss)	(212)	(33)
Treasury stock, at cost	(140)	(52)
Total FIS stockholders' equity	49,031	49,440
Noncontrolling interest	14	16
Total equity	49,045	49,456
Total liabilities, redeemable noncontrolling interest and equity	\$ 83,195	\$ 83,806

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

**Exhibit C**

	Nine months ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net earnings	\$ 61	\$ 459
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,760	1,488
Amortization of debt issue costs	24	17
Acquisition-related financing foreign exchange	—	(112)
Asset impairments	—	87
Loss (gain) on sale of businesses, investments and other	3	18
Stock-based compensation	182	138
Deferred income taxes	(24)	(75)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade and other receivables	78	12
Contract assets	(41)	(14)
Settlement activity	594	165
Prepaid expenses and other assets	(128)	(2)
Deferred contract costs	(354)	(258)
Deferred revenue	(50)	(51)
Accounts payable, accrued liabilities and other liabilities	(81)	(131)
Net cash provided by operating activities	<u>3,024</u>	<u>1,741</u>
<b>Cash flows from investing activities:</b>		
Additions to property and equipment	(186)	(135)
Additions to software	(652)	(409)
Acquisitions, net of cash acquired	(469)	(6,629)
Net proceeds from sale of businesses and investments	—	49
Other investing activities, net	92	(43)
Net cash provided by (used in) investing activities	<u>(1,215)</u>	<u>(7,167)</u>
<b>Cash flows from financing activities:</b>		
Borrowings	37,125	25,425
Repayment of borrowings and other financing obligations	(37,646)	(15,997)
Debt issuance costs	—	(71)
Proceeds from stock issued under stock-based compensation plans	302	136
Treasury stock activity	(102)	(422)
Dividends paid	(650)	(441)
Other financing activities, net	(222)	(39)
Net cash provided by (used in) financing activities	<u>(1,193)</u>	<u>8,591</u>
Effect of foreign currency exchange rate changes on cash	8	(38)
Net increase (decrease) in cash and cash equivalents	<u>624</u>	<u>3,127</u>
Cash and cash equivalents, beginning of period	3,211	703
Cash and cash equivalents, end of period	<u>\$ 3,835</u>	<u>\$ 3,830</u>

**FIDELITY NATIONAL INFORMATION SERVICES, INC.**  
**SUPPLEMENTAL NON-GAAP ORGANIC REVENUE GROWTH — UNAUDITED**  
(In millions)

**Exhibit D**

	Three months ended September 30,						
	2020			2019			
	Revenue	FX	Constant Currency Revenue	Revenue	In Year Adjustments (1)	Adjusted Base	Organic Growth
Merchant Solutions	\$ 1,017	\$ (12)	\$ 1,005	\$ 705	\$ 298	\$ 1,003	— %
Banking Solutions	1,507	7	1,513	1,443	29	1,473	3 %
Capital Market Solutions	626	(5)	621	611	18	630	(1)%
Corporate and Other	47	—	47	63	—	63	(24)%
<b>Total</b>	<b>\$ 3,197</b>	<b>\$ (10)</b>	<b>\$ 3,187</b>	<b>\$ 2,822</b>	<b>\$ 346</b>	<b>\$ 3,168</b>	<b>1 %</b>

	Nine months ended September 30,						
	2020			2019			
	Revenue	FX	Constant Currency Revenue	Revenue	In Year Adjustments (1)	Adjusted Base	Organic Growth
Merchant Solutions	\$ 2,764	\$ (3)	\$ 2,761	\$ 852	\$ 2,171	\$ 3,023	(9)%
Banking Solutions	4,447	31	4,479	4,173	200	4,373	2 %
Capital Market Solutions	1,886	2	1,887	1,778	57	1,836	3 %
Corporate and Other	139	—	139	188	—	188	(26)%
<b>Total</b>	<b>\$ 9,236</b>	<b>\$ 30</b>	<b>\$ 9,266</b>	<b>\$ 6,991</b>	<b>\$ 2,429</b>	<b>\$ 9,420</b>	<b>(2)%</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 September 30, 2020	Nine months ended September 30, 2020
Net cash provided by operating activities	\$ 1,411	\$ 3,024
Non-GAAP adjustments:		
Acquisition, integration and other payments (1)	140	438
Settlement activity	(422)	(594)
Adjusted cash flows from operations	1,129	2,868
Capital expenditures (2)	(263)	(808)
Free cash flow	<u>\$ 866</u>	<u>\$ 2,060</u>

	Three months ended September 30, 2019	Nine months ended September 30, 2019
Net cash provided by operating activities	\$ 921	\$ 1,741
Non-GAAP adjustments:		
Acquisition, integration and other payments (1)	171	260
Tax payments on divestitures (3)	—	10
Settlement activity	(193)	(165)
Adjusted cash flows from operations	899	1,846
Capital expenditures	(259)	(544)
Free cash flow	<u>\$ 640</u>	<u>\$ 1,302</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 nine months ended September 30, 2020 and 2019 exclude cash payments for certain acquisition, integration and other costs (see Note 2 to Exhibit E), net of related tax impact. The related tax impact totaled \$23 million and \$30 million for the three months and \$70 million and \$51 million for the nine months ended September 30, 2020 and 2019, respectively.
- (2) Capital expenditures for free cash flow for the three and nine months ended September 30, 2020 exclude \$9 million and \$30 million, respectively, 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 September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net earnings attributable to FIS common stockholders	\$ 20	\$ 154	\$ 54	\$ 456
Provision (benefit) for income taxes	121	48	94	119
Interest expense, net	84	95	252	242
Other, net	6	(157)	(15)	29
Operating income, as reported	231	140	385	846
Depreciation and amortization, excluding purchase accounting amortization	238	206	705	594
Non-GAAP adjustments:				
Purchase accounting amortization (1)	693	546	2,055	894
Acquisition, integration and other costs (2)	195	213	616	293
Asset impairments	—	87	—	87
Adjusted EBITDA	<u>\$ 1,357</u>	<u>\$ 1,192</u>	<u>\$ 3,761</u>	<u>\$ 2,714</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 September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Earnings (loss) before income taxes and equity method investment earnings (loss)	\$ 143	\$ 209	\$ 164	\$ 596
(Provision) benefit for income taxes	(121)	(48)	(94)	(119)
Equity method investment earnings (loss)	—	(5)	(9)	(18)
Net (earnings) loss attributable to noncontrolling interest	(2)	(2)	(7)	(3)
Net earnings attributable to FIS common stockholders	20	154	54	456
Non-GAAP adjustments:				
Purchase accounting amortization (1)	693	546	2,055	894
Acquisition, integration and other costs (2)	195	213	622	358
Asset impairments (3)	—	87	—	87
Loss (gain) on sale of businesses and investments (4)	—	—	—	6
Debt financing activities (5)	—	(5)	—	98
Non-operating (income) expense (6)	4	(164)	(31)	(164)
Equity method investment (earnings) loss (7)	—	5	9	18
Tax rate change (8)	103	—	103	—
(Provision) benefit for income taxes on non-GAAP adjustments	(128)	(85)	(405)	(200)
Total non-GAAP adjustments	867	597	2,353	1,097
Adjusted net earnings	<u>\$ 887</u>	<u>\$ 751</u>	<u>\$ 2,407</u>	<u>\$ 1,553</u>
Net earnings per share-diluted attributable to FIS common stockholders	\$ 0.03	\$ 0.29	\$ 0.09	\$ 1.15
Non-GAAP adjustments:				
Purchase accounting amortization (1)	1.11	1.04	3.28	2.26
Acquisition, integration and other costs (2)	0.31	0.41	0.99	0.90
Asset impairments (3)	—	0.17	—	0.22
Loss (gain) on sale of businesses and investments (4)	—	—	—	0.02
Debt financing activities (5)	—	(0.01)	—	0.25
Non-operating (income) expense (6)	0.01	(0.31)	(0.05)	(0.41)
Equity method investment (earnings) loss (7)	—	0.01	0.01	0.05
Tax rate change (8)	0.16	—	0.16	—
(Provision) benefit for income taxes on non-GAAP adjustments	(0.20)	(0.16)	(0.65)	(0.51)
Adjusted net earnings per share-diluted attributable to FIS common stockholders	<u>\$ 1.42</u>	<u>\$ 1.43</u>	<u>\$ 3.85</u>	<u>\$ 3.92</u>
Weighted average shares outstanding-diluted	<u>627</u>	<u>524</u>	<u>626</u>	<u>396</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 nine months ended September 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 \$20 million and \$25 million for the three months and \$60 million and \$50 million for the nine months ended September 30, 2020 and 2019, respectively, and incremental charges directly related to COVID-19 of \$41 million and \$56 million for the three and nine months ended September 30, 2020, respectively.
- (3) For the three and nine months ended September 30, 2019 this item primarily represents asset impairments for certain software resulting from the Company's net realizable value analysis.
- (4) This item represents the net pre-tax loss (gain) on sale of businesses and investments during the nine months ended September 30, 2019.
- (5) 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.
- (6) Non-operating (income) expense consists of other income and expense items outside of the Company's operating activities. For the three and nine months ended September 30, 2020 this item primarily represents the fair value adjustment on certain assets and liabilities offset by foreign currency transaction remeasurement losses and the pending settlement of the Reliance Trust claims described in our Commitments and Contingencies note in our quarterly reports on Form 10-Q. For the three and nine months ended September 30, 2019, this item primarily represents the non-cash foreign currency gain on non-hedged Euro- and Pound Sterling-denominated notes to finance the Worldpay acquisition.
- (7) This item represents our equity method investment earnings or loss and is predominantly due to our equity ownership interest in Cardinal Holdings, LP.
- (8) This item represents the one-time net remeasurement of certain deferred tax liabilities due to the increase in the U.K. corporate statutory tax rate from 17% to 19% enacted on July 22, 2020.