

First Quarter 2018 Earnings Call

May 1, 2018

Empowering
the Financial World



Agenda

Business Summary

Gary Norcross,
President and CEO

Financial Summary

Woody Woodall,
Chief Financial Officer

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 1, 2018, our annual report on Form 10-K for 2017 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

First Quarter Financial Highlights

\$2.1B

Adjusted
Revenue

**+3.3% organic
growth**

34.1%

Adjusted
EBITDA Margin

**+340 bps
expansion**

\$1.09

Adjusted
EPS

**+32.9% Y-o-Y
growth**

Strategic Growth Levers



INNOVATE

for long-term
growth



DRIVE

strong sales with
market leading
solutions



BUILD

on our global
scale



Financial Summary

Woody Woodall

Chief Financial Officer

Consolidated Results

First Quarter (Q1) 2018 (\$ millions, except per share data)

METRICS	Q1 2018	Y-o-Y vs Q1 2017
Adj. Revenue	\$ 2,068	3.3% Organic ⁽¹⁾
Adj. EBITDA	\$ 705	6.7%
Adj. EBITDA Margin	34.1%	340 bps
Adj. EPS	\$ 1.09	32.9%



(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.

Integrated Financial Solutions

First Quarter (Q1) 2018 (\$ millions)

METRICS	Q1 2018	Y-o-Y vs Q1 2017
Revenue	\$ 1,061	3.2% <i>Organic</i> ⁽¹⁾
Adj. EBITDA	\$ 451	2.8%
Adj. EBITDA Margin	42.5%	10 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.

Integrated Financial Solutions

REVENUE CONTRIBUTION

(\$ millions)

	First Quarter	Organic Growth
Banking and Wealth	\$ 503	5.7%
Payments	351	(1.6)%
Corporate and Digital	207	5.7%
Total Integrated Financial Solutions⁽¹⁾	\$ 1,061	3.2%



(1) Amount may not sum due to rounding.

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

Global Financial Solutions

First Quarter (Q1) 2018 (\$ millions)

METRICS	Q1 2018	Y-o-Y vs Q1 2017
Revenue	\$ 927	5.4% Organic ⁽¹⁾
Adj. EBITDA	\$ 305	15.2%
Adj. EBITDA Margin	32.9%	650 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)

	First Quarter	Organic Growth
Institutional and Wholesale	\$ 500	6.0%
Banking and Payments	427	4.8%
Total Global Financial Solutions⁽¹⁾	\$ 927	5.4%

Corporate and Other

First Quarter (Q1) 2018 (\$ millions)

METRICS	Q1 2018	Y-o-Y vs Q1 2017
Adj. Revenue	\$ 80	(14.1)% Organic ⁽¹⁾
Adj. EBITDA	\$ (51)	n/a
Corporate Expense	\$ 67	(5.1)%



(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.

Debt Review and Capital Allocation

- **Free cash flow was \$226 million**
 - Primarily impacted by one-time shift in tax payments and working capital
 - Both items contemplated in full-year forecast
- **Maintaining a strong balance sheet**
 - \$9.1 billion debt outstanding as of March 31, 2018
 - Weighted average interest rate of 3.3%
- **Shareholder returns**
 - Share repurchases of approximately \$400 million in Q1 2018
 - Dividends of \$106 million in Q1 2018

Why Invest in FIS



**Continued
Market
Leadership**



**High-Quality
Recurring
Revenue**



**Double-Digit
EPS Growth**



**Strong
Cash Flow
Generation**



**Compelling
Investment
Thesis**

APPENDIX

Debt Summary

(\$ millions)

	Rate	Dec. 31, 2017	Mar. 31, 2018
Revolver (2021 Maturity)	L+125 bps	\$ 195	\$ 475
<i>Undrawn revolver capacity</i>	<i>15 bps</i>	<i>2,805</i>	<i>2,525</i>
2018 Notes (April) ⁽¹⁾	2.000%	250	250
2018 Notes (October)	2.850%	750	750
2020 Notes (October)	3.625%	1,150	1,150
2021 EUR Notes (January) ⁽²⁾	0.400%	599	616
2021 Notes (August)	2.250%	750	750
2022 GBP Notes (June) ⁽²⁾	1.700%	405	420
2022 Notes (October)	4.500%	300	300
2023 Notes (April)	3.500%	700	700
2024 Notes (June)	3.875%	400	400
2024 EUR Notes (July) ⁽²⁾	1.100%	599	616
2025 Notes (October)	5.000%	900	900
2026 Notes (August)	3.000%	1,250	1,250
2046 Notes (August)	4.500%	500	500
Other	Various	15	(1)
Total Debt		\$ 8,763	\$ 9,076
<i>Weighted-Average Interest Rate</i>		<i>3.3%</i>	<i>3.3%</i>
<i>Fixed to Floating Ratio</i>		<i>98%</i>	<i>95%</i>

*May not foot due to rounding

(1) These Senior Notes were paid off on April 13, 2018, with borrowings on the Revolving Loan.

(2) EUR Notes converted at EURUSD 1.23, GBP Notes converted at GBPUSD 1.40

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, 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 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 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;

Forward-Looking Statements

- 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, 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; 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, 2017 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 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 adjusted revenue, constant currency revenue, organic revenue increase/decrease, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net earnings (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 increase/decrease measures adjust for the effects of exchange rate fluctuations, while organic revenue increase/decrease 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' 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 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.

Constant currency revenue represents (i) adjusted revenue, as defined above, 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 increase/decrease 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 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 divided by adjusted revenue.

Non-GAAP Financial Information and Reconciliation

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, 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

First Quarter (Q1) 2018 (\$ millions)

Three months ended March 31, 2018

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Revenue	\$ 1,061	\$ 927	\$ 78	\$ 2,066
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	2	2
Adjusted revenue	\$ 1,061	\$ 927	\$ 80	\$ 2,068
Currency translation adjustment	(1)	(20)	(1)	(22)
Constant currency (A)	\$ 1,060	\$ 907	\$ 79	\$ 2,046

Three months ended March 31, 2017

	Integrated Financial Solutions	Global Financial Solutions	Corporate and Other	Consolidated
Revenue	\$ 1,037	\$ 1,003	\$ 108	\$ 2,148
Non-GAAP adjustments:				
Acquisition deferred revenue adjustment	-	-	3	3
Adjusted revenue	\$ 1,037	\$ 1,003	\$ 111	\$ 2,151
M&A adjustment	(10)	(143)	(18)	(171)
Adjusted base (B)	\$ 1,027	\$ 860	\$ 93	\$ 1,980
Organic revenue growth A / B	3.2%	5.4%	(14.1)%	3.3%



Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, unaudited)

	Three months ended	
	March 31,	
	2018	2017
Net earnings attributable to FIS	\$ 182	\$ 129
Provision (benefit) for income taxes	34	74
Interest expense, net	72	93
Other, net	6	(50)
Operating income, as reported	\$ 294	\$ 246
FIS depreciation and amortization, excluding purchase accounting amortization	169	152
FIS non-GAAP adjustments:		
Purchase accounting amortization	183	180
Acquisition, integration and severance	57	80
Acquisition deferred revenue adjustment	2	3
Adjusted EBITDA	\$ 705	\$ 661

Reconciliation of GAAP to Non-GAAP Financials

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

	Three months ended	
	March 31,	
	2018	2017
Earnings before income taxes and equity method investment earnings	\$ 225	\$ 209
Provision (benefit) for income taxes	34	74
Equity method investment earnings	(1)	-
Net earnings attributable to noncontrolling interest	(8)	(6)
Net earnings attributable to FIS	\$ 182	\$ 129
FIS non-GAAP adjustments:		
Purchase accounting amortization	183	180
Acquisition, integration and severance	57	80
Acquisition deferred revenue adjustment	2	3
Loss (gain) on sale of businesses and investments	(3)	(85)
Debt financing activities	-	25
Provision for income taxes on non-GAAP adjustments	(58)	(58)
Total non-GAAP adjustments	\$ 181	\$ 145
Adjusted net earnings (loss), net of tax	\$ 363	\$ 274
Net earnings per share - diluted attributable to FIS common stockholders	\$ 0.54	\$ 0.39
FIS non-GAAP adjustments:		
Purchase accounting amortization	0.55	0.54
Acquisition, integration and severance	0.17	0.24
Acquisition deferred revenue adjustment	0.01	0.01
Loss (gain) on sale of businesses and investments	(0.01)	(0.26)
Debt financing activities	-	0.08
Provision for income taxes on non-GAAP adjustments	(0.17)	(0.17)
Adjusted net earnings (loss) per share - diluted attributable to FIS common stockholders	\$ 1.09	\$ 0.82
Weighted average shares outstanding-diluted	334	333

Reconciliation of GAAP to Non-GAAP Financials

(\$ millions, unaudited)

	Three months ended March 31,	
	2018	2017
Net cash provided by operating activities	\$ 354	\$ 454
Non-GAAP adjustments:		
Acquisition, integration and severance payments	27	17
Tax payments on divestitures	19	-
Bond premium	-	11
Settlement activity	(2)	36
Adjusted cash flows from operations	\$ 398	\$ 518
Capital expenditures	(172)	(155)
Free cash flow	\$ 226	\$ 363