

Second Quarter 2017 Financial Results Conference Call

August 1, 2017

Forward-Looking Statements and Non-GAAP Financial Measures

The information disclosed in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated “internal revenue growth,” “adjusted EPS growth,” “free cash flow conversion” and “adjusted operating margin.” Statements can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should” or words of similar meaning. Statements that describe the company’s future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements.

The factors that may affect the company’s results include, among others: pricing and other actions by competitors; the capacity of the company’s technology to keep pace with a rapidly evolving marketplace; the impact of market and economic conditions on the financial services industry; the impact of a security breach or operational failure on the company’s business; the effect of legislative and regulatory actions in the United States and internationally; the company’s ability to comply with government regulations; the company’s ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same, including with respect to the acquisition of Monitise plc; the impact of the company’s strategic initiatives; and other factors included in the company’s filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2016 and in other documents that the company files with the SEC. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. The company assumes no obligation to update any forward-looking statements, which speak only as of the date of this presentation.

This presentation includes the following non-GAAP financial measures: “adjusted revenue,” “internal revenue,” “adjusted operating income,” “adjusted operating margin,” “adjusted EPS,” “adjusted net income,” “free cash flow” and “free cash flow conversion.” These non-GAAP measures are indicators that management uses to provide additional comparisons between current results and prior reported results and as a basis for planning and forecasting future periods. We believe that these measures provide additional insight into our operating performance. Additional information about these measures and reconciliations to the nearest GAAP financial measures, to the extent available, are provided in the appendix to this presentation.

2Q-17 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
2Q-17	\$1,323	\$1,321	\$1.19
2Q-16	\$1,294	\$1,286	\$1.08
Change	2%	3%	10%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

YTD-17 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
YTD-17	\$2,643	\$2,625	\$2.43
YTD-16	\$2,547	\$2,535	\$2.14
Change	4%	4%	14%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

Other Financial Metrics

	Free Cash Flow Conversion	Adjusted Operating Margin
YTD-17	105%	32.3%
YTD-16	91%	31.9%
Change ¹	14%	40 bps

See appendix for information regarding non-GAAP measures.

¹Free cash flow conversion change represents the absolute percentage variance.

Internal Revenue Growth by Segment

Segment	2Q-17	YTD-17
Payments	3%	4%
Financial	3%	3%
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Total Company	3%	4%

See appendix for information regarding non-GAAP measures.

2Q-17 Adjusted Operating Margin

Segment	2Q-17	2Q-16	Change (bps)
Payments	33.3%	34.3%	(100)
Financial	34.3%	33.0%	130
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Total Company	32.0%	31.9%	10

See appendix for information regarding non-GAAP measures.

YTD-17 Adjusted Operating Margin

Segment	YTD-17	YTD-16	Change (bps)
Payments	34.7%	33.9%	80
Financial	33.0%	32.8%	20
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Total Company	32.3%	31.9%	40

See appendix for information regarding non-GAAP measures.

2017 Performance Outlook

Key Financial Metrics

Growth

Internal Revenue

4 - 5%

Adjusted EPS

14 - 17%

Other Financial Metrics

Target

Free Cash Flow Conversion¹

108 - 111%

Adjusted Operating Margin Expansion

> 50 bps

¹Substitute metric adopted as of Q2 2017. See page 14 for detail.



Appendix

Internal Revenue Growth

Internal revenue growth is measured as the increase in adjusted revenue for the current period excluding acquired revenue and revenue attributable to dispositions, divided by adjusted revenue from the prior year period excluding revenue attributable to dispositions.

In the second quarter of 2017, acquired revenue was \$2 million (all in the Financial segment), and revenue in the comparable prior year period attributable to dispositions was \$8 million (all in the Financial segment). During the first six months of 2017, acquired revenue was \$18 million (\$14 million in the Payments segment and \$4 million in the Financial segment), and revenue in the comparable prior year period attributable to dispositions was \$12 million (all in the Financial segment).

See page 2 for information regarding non-GAAP financial measures.

Adjusted EPS

	<u>2Q-17</u>	<u>2Q-16</u>	<u>YTD-17</u>	<u>YTD-16</u>
GAAP EPS	\$ 1.02	\$ 0.94	\$ 2.15	\$ 2.21
Adjustments - net of income taxes:				
Merger, integration and other costs ¹	0.04	0.02	0.08	0.06
Severance costs	0.02	0.01	0.06	0.02
Amortization of acquisition-related intangible assets	0.12	0.11	0.24	0.23
StoneRiver and other investment activity ²	—	—	(0.08)	(0.39)
Gain on sale of business ³	(0.02)	—	(0.02)	—
Adjusted EPS	<u>\$ 1.19</u>	<u>\$ 1.08</u>	<u>\$ 2.43</u>	<u>\$ 2.14</u>

Earnings per share is calculated using actual, unrounded amounts.

See page 2 for information regarding non-GAAP financial measures.

¹Merger, integration and other costs include acquisition and related integration costs of \$13 million in 2017 and \$16 million in 2016, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$16 million in 2017 and \$7 million in 2016, including expenses related to data center consolidation activities.

²Represents the company's share of net gains on the disposition of a business and a business interest at StoneRiver Group L.P., a joint venture in which the company owns a 49% interest, as well as a non-cash write-off of a \$7 million investment in 2016.

³Represents the gain on the sale of the company's Australian item processing business.

Adjusted Net Income

	<u>2Q-17</u>	<u>2Q-16</u>	<u>YTD-17</u>	<u>YTD-16</u>
GAAP Net Income	\$ 221	\$ 212	\$ 468	\$ 501
Adjustments:				
Merger, integration and other costs ¹	15	7	29	23
Severance costs	7	4	19	8
Amortization of acquisition-related intangible assets	40	40	78	80
Tax impact of adjustments ²	(21)	(18)	(42)	(39)
StoneRiver and other investment activity ³	—	—	(26)	(139)
Tax impact of StoneRiver and other investment activity ²	—	—	9	52
Gain on sale of business ⁴	(10)	—	(10)	—
Tax impact of gain on sale of business ²	5	—	5	—
Adjusted Net Income	<u>\$ 257</u>	<u>\$ 245</u>	<u>\$ 530</u>	<u>\$ 486</u>

\$ in millions.

See page 2 for information regarding non-GAAP financial measures.

¹Merger, integration and other costs include acquisition and related integration costs of \$13 million in 2017 and \$16 million in 2016, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$16 million in 2017 and \$7 million in 2016, including expenses related to data center consolidation activities.

²The tax impact of adjustments is calculated using tax rates of 33 percent and 35 percent in 2017 and 2016, respectively, which approximates the company's annual effective tax rate for the respective years, exclusive of the actual tax impacts associated with StoneRiver transactions and the gain on sale of business.

³Represents the company's share of net gains on the disposition of a business and a business interest at StoneRiver Group L.P., a joint venture in which the company owns a 49% interest, as well as a non-cash write-off of a \$7 million investment in 2016.

⁴Represents the gain on the sale of the company's Australian item processing business.

Free Cash Flow Conversion

	<u>YTD-17</u>	<u>YTD-16</u>
Net cash provided by operating activities	\$ 691	\$ 687
Capital expenditures	(136)	(145)
Adjustments:		
Severance, merger and integration payments	42	20
StoneRiver cash distributions	(31)	(140)
Other	(3)	4
Tax payments on adjustments	(8)	16
Free cash flow	<u>\$ 555</u>	<u>\$ 442</u>
Adjusted net income ¹	<u>\$ 530</u>	<u>\$ 486</u>
Free cash flow conversion ²	105%	91%
GAAP net income	\$ 468	\$ 501
Ratio of net cash provided by operating activities to GAAP net income	148%	137%
Weighted average diluted shares outstanding	217.8	226.5

\$ in millions. Free cash flow conversion is defined as free cash flow divided by adjusted net income.

See page 2 for information regarding non-GAAP financial measures.

¹See page 13 for adjusted net income reconciliation.

²Substitute metric adopted as of Q2 2017.

Adjusted Revenue and Adjusted Operating Income

Total Company

	2Q-17	2Q-16	YTD-17	YTD-16
Revenue	\$ 1,386	\$ 1,363	\$ 2,780	\$ 2,694
Output Solutions postage reimbursements	(64)	(71)	(139)	(149)
Deferred revenue purchase accounting adjustments	1	2	2	2
Adjusted revenue	<u>\$ 1,323</u>	<u>\$ 1,294</u>	<u>\$ 2,643</u>	<u>\$ 2,547</u>
Operating income	\$ 372	\$ 362	\$ 737	\$ 701
Merger, integration and other costs	15	7	29	23
Severance costs	7	4	19	8
Amortization of acquisition-related intangible assets	40	40	78	80
Gain on sale of business	(10)	—	(10)	—
Adjusted operating income	<u>\$ 424</u>	<u>\$ 413</u>	<u>\$ 853</u>	<u>\$ 812</u>
Operating margin	26.8%	26.6%	26.5%	26.0%
Adjusted operating margin	32.0%	31.9%	32.3%	31.9%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

See page 2 for information regarding non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Payments Segment

	2Q-17	2Q-16	YTD-17	YTD-16
Revenue	\$ 779	\$ 763	\$ 1,573	\$ 1,512
Output Solutions postage reimbursements	(64)	(71)	(139)	(149)
Deferred revenue purchase accounting adjustments	1	1	2	1
Adjusted revenue	\$ 716	\$ 693	\$ 1,436	\$ 1,364
Operating income	\$ 238	\$ 237	\$ 497	\$ 462
Merger, integration and other costs	1	1	2	1
Adjusted operating income	\$ 239	\$ 238	\$ 499	\$ 463
Operating margin	30.5%	31.1%	31.6%	30.5%
Adjusted operating margin	33.3%	34.3%	34.7%	33.9%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

See page 2 for information regarding non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Financial Segment

	<u>2Q-17</u>	<u>2Q-16</u>	<u>YTD-17</u>	<u>YTD-16</u>
Revenue	\$ 623	\$ 612	\$ 1,243	\$ 1,211
Deferred revenue purchase accounting adjustments	—	1	—	1
Adjusted revenue	<u>\$ 623</u>	<u>\$ 613</u>	<u>\$ 1,243</u>	<u>\$ 1,212</u>
Operating income	<u>\$ 214</u>	<u>\$ 202</u>	<u>\$ 410</u>	<u>\$ 397</u>
Operating margin	34.3%	33.0%	33.0%	32.8%
Adjusted operating margin	34.3%	33.0%	33.0%	32.8%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

See page 2 for information regarding non-GAAP financial measures.