
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported):

July 26, 2022

Fiserv, Inc.

(Exact Name of Registrant as Specified in Charter)

Wisconsin
(State or Other Jurisdiction
of Incorporation)

1-38962
(Commission
File Number)

39-1506125
(IRS Employer
Identification No.)

255 Fiserv Drive, Brookfield, Wisconsin 53045
(Address of Principal Executive Offices, Including Zip Code)

(262) 879-5000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	FISV	The NASDAQ Stock Market LLC
0.375% Senior Notes due 2023	FISV23	The NASDAQ Stock Market LLC
1.125% Senior Notes due 2027	FISV27	The NASDAQ Stock Market LLC
1.625% Senior Notes due 2030	FISV30	The NASDAQ Stock Market LLC
2.250% Senior Notes due 2025	FISV25	The NASDAQ Stock Market LLC
3.000% Senior Notes due 2031	FISV31	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 26, 2022, Fiserv, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of Fiserv, Inc., dated July 26, 2022 (furnished pursuant to Item 2.02 of this Current Report on Form 8-K)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FISERV, INC.

Date: July 26, 2022

By: /s/ Robert W. Hau
Robert W. Hau
Chief Financial Officer



News Release

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For Immediate Release

Fiserv Reports Second Quarter 2022 Results

GAAP revenue growth of 10% both in the quarter and year to date;
GAAP EPS increased 130% in the quarter and 128% year to date;
Organic revenue growth of 12% in the quarter and 11% year to date;
Adjusted EPS increased 14% in the quarter and 17% year to date;
Company raises 2022 organic revenue growth outlook to 9% to 11%
and adjusted EPS outlook to \$6.45 to \$6.55, or growth of 16% to 17%

BROOKFIELD, Wis., July 26, 2022 – Fiserv, Inc. (NASDAQ: FISV), a leading global provider of payments and financial services technology solutions, today reported financial results for the second quarter of 2022.

Second Quarter 2022 GAAP Results

GAAP revenue for the company increased 10% to \$4.45 billion in the second quarter of 2022 compared to the prior year period, with 14% growth in the Acceptance segment, 6% growth in the Fintech segment and 7% growth in the Payments segment. GAAP revenue for the company increased 10% to \$8.59 billion in the first six months of 2022 compared to the prior year period, with 16% growth in the Acceptance segment, 6% growth in the Fintech segment and 5% growth in the Payments segment.

GAAP earnings per share was \$0.92 in the second quarter and \$1.94 in the first six months of 2022, an increase of 130% and 128%, respectively, compared to the prior year periods. The second quarter and first six months of 2022 includes a \$110 million pre-tax gain from the fair value remeasurement of an equity investment, whereas the second quarter and first six months of 2021 includes certain discrete tax expenses. GAAP operating margin was 19.3% and 19.9% in the second quarter and first six months of 2022, respectively, compared to 15.9% and 14.3% in the second quarter and first six months of 2021, respectively. Net cash provided by operating activities was \$1.81 billion in the first six months of 2022 compared to \$2.01 billion in the prior year period.

News Release

"Our second quarter results were strong, with double digit organic revenue and adjusted earnings per share growth. These results put us above the high end of our full year guidance range for organic revenue growth and at the high end of our adjusted earnings per share range on a year to date basis," said Frank Bisignano, Chairman, President and Chief Executive Officer of Fiserv. "We achieved these results while continuing to invest for sustainable growth."

Second Quarter 2022 Non-GAAP Results and Additional Information

- Adjusted revenue increased 10% to \$4.23 billion in the second quarter and 10% to \$8.14 billion in the first six months of 2022 compared to the prior year periods.
- Organic revenue growth was 12% in the second quarter of 2022, led by 17% growth in the Acceptance segment, 7% growth in the Fintech segment and 8% growth in the Payments segment.
- Organic revenue growth was 11% in the first six months of 2022, led by 18% growth in the Acceptance segment and 6% growth in both the Fintech and Payments segments.
- Adjusted earnings per share increased 14% to \$1.56 in the second quarter and 17% to \$2.96 in the first six months of 2022 compared to the prior year periods.
- Adjusted operating margin decreased 40 basis points to 33.5% in the second quarter and was flat at 32.7% in the first six months of 2022 compared to the prior year periods.
- Free cash flow was \$1.26 billion in the first six months of 2022 compared to \$1.72 billion in the prior year period.
- The company repurchased 5.1 million shares of common stock for \$500 million in the second quarter and 10.2 million shares of common stock for \$1.0 billion in the first six months of 2022.
- In June 2022, the company entered into a new revolving credit facility, increasing available borrowing capacity to \$6.0 billion through June 2027.

Outlook for 2022

Fiserv raises full year 2022 outlook and now expects organic revenue growth of 9% to 11% and adjusted earnings per share of \$6.45 to \$6.55, representing growth of 16% to 17%.

"An unprecedented confluence of macro factors is likely to impact the global economy," said Bisignano. "The demonstrated resilience of our business model, driven by the strength of our assets, balance sheet and pipeline of innovation, should position us well to withstand potential challenges and deliver value for our clients."

Earnings Conference Call

The company will discuss its second quarter 2022 results in a live webcast at 7 a.m. CT on Tuesday, July 26, 2022. The webcast, along with supplemental financial information, can be accessed on the investor relations section of the Fiserv website at investors.fiserv.com. A replay will be available approximately one hour after the conclusion of the live webcast.

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including

News Release

account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover[®] cloud-based point-of-sale and business management platform. Fiserv is a member of the S&P 500[®] Index, the FORTUNE[®] 500, and has been recognized as one of FORTUNE World's Most Admired Companies[®] for 11 of the past 14 years and named among the World's Most Innovative Companies by Fast Company for two consecutive years. Visit [fiserv.com](https://www.fiserv.com) and follow on social media for more information and the latest company news.

Use of Non-GAAP Financial Measures

In this news release, the company supplements its reporting of information determined in accordance with generally accepted accounting principles ("GAAP"), such as revenue, operating income, operating margin, net income attributable to Fiserv, earnings per share and net cash provided by operating activities, with "adjusted revenue," "adjusted revenue growth," "organic revenue," "organic revenue growth," "adjusted operating income," "adjusted operating margin," "adjusted net income," "adjusted earnings per share," "adjusted earnings per share growth," and "free cash flow." Management believes that adjustments for certain non-cash or other items and the exclusion of certain pass-through revenue and expenses should enhance shareholders' ability to evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Therefore, the company excludes these items from its GAAP financial measures to calculate these unaudited non-GAAP measures. The corresponding reconciliations of these unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this news release, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of the non-cash and other items described below that are excluded from the non-GAAP outlook measures. See page 15 for additional information regarding the company's forward-looking non-GAAP financial measures.

Examples of non-cash or other items may include, but are not limited to, non-cash intangible asset amortization expense associated with acquisitions; non-cash impairment charges; restructuring costs; severance costs; net charges associated with debt financing activities; merger and integration costs; gains or losses from the sale of businesses, certain assets or investments; certain discrete tax benefits and expenses; and non-cash deferred revenue adjustments arising from acquisitions. The company excludes these items to more clearly focus on the factors management believes are pertinent to the company's operations, and management uses this information to make operating decisions, including the allocation of resources to the company's various businesses.

The company adjusts its non-GAAP results to exclude amortization of acquisition-related intangible assets as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Management believes that the adjustment of acquisition-related intangible asset amortization supplements GAAP information with a measure that can be used to assess the comparability of operating performance. Although the company excludes amortization from acquisition-related intangible assets from its non-GAAP expenses, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.

News Release

Management believes organic revenue growth is useful because it presents adjusted revenue growth excluding the impact of foreign currency fluctuations, acquisitions, dispositions and the company's Output Solutions postage reimbursements and including deferred revenue purchase accounting adjustments. Management believes free cash flow is useful to measure the funds generated in a given period that are available for debt service requirements and strategic capital decisions. Management believes this supplemental information enhances shareholders' ability to evaluate and understand the company's core business performance.

These unaudited non-GAAP measures may not be comparable to similarly titled measures reported by other companies and should be considered in addition to, and not as a substitute for, revenue, operating income, operating margin, net income attributable to Fiserv, earnings per share and net cash provided by operating activities or any other amount determined in accordance with GAAP.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated organic revenue growth, adjusted earnings per share, adjusted earnings per share growth and other statements regarding our future financial performance. 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 could cause the company's actual results to differ materially include, among others, the following, many of which may continue to be amplified by the COVID-19 pandemic: the duration and intensity of the COVID-19 pandemic, including how quickly the global economy recovers from the impact of the pandemic; governmental and private sector responses to the COVID-19 pandemic and the impact of such responses on the company; the impact of the COVID-19 pandemic on the company's employees, clients, vendors, supply chain, operations and sales; the company's ability to compete effectively against new and existing competitors and to continue to introduce competitive new products and services on a timely, cost-effective basis; changes in customer demand for the company's products and services; the ability of the company's technology to keep pace with a rapidly evolving marketplace; the success of the company's merchant alliances, some of which are not controlled by the company; the impact of a security breach or operational failure on the company's business including disruptions caused by other participants in the global financial system; the failure of the company's vendors and merchants to satisfy their obligations; the successful management of credit and fraud risks in the company's business and merchant alliances; changes in local, regional, national and international economic or political conditions, including those resulting from heightened inflation, a recession, or intensified international hostilities, and the impact they may have on the company and its customers; the effect of proposed and enacted legislative and regulatory actions affecting the company or the financial services industry as a whole; the company's ability to comply with government regulations and applicable card association and network rules; the protection and validity of intellectual property rights; the outcome of pending and future litigation and

News Release

governmental proceedings; the company's ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of the company's strategic initiatives; the company's ability to attract and retain key personnel; volatility and disruptions in financial markets that may impact the company's ability to access preferred sources of financing and the terms on which the company is able to obtain financing or increase its costs of borrowing; adverse impacts from currency exchange rates or currency controls; changes in corporate tax and interest rates; and other factors included in "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2021, and in other documents that the company files with the Securities and Exchange Commission, which are available at <http://www.sec.gov>. 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 news release.

News Release

Fiserv, Inc.
Condensed Consolidated Statements of Income
(In millions, except per share amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue				
Processing and services	\$ 3,696	\$ 3,361	\$ 7,060	\$ 6,415
Product	754	690	1,528	1,391
Total revenue	4,450	4,051	8,588	7,806
Expenses				
Cost of processing and services	1,502	1,498	2,938	2,895
Cost of product	542	469	1,078	979
Selling, general and administrative	1,546	1,440	3,013	2,813
Gain on sale of assets	—	—	(147)	—
Total expenses	3,590	3,407	6,882	6,687
Operating income	860	644	1,706	1,119
Interest expense, net	(176)	(175)	(344)	(351)
Other (expense) income	(66)	1	(70)	22
Income before income taxes and income from investments in unconsolidated affiliates	618	470	1,292	790
Income tax provision	(137)	(228)	(235)	(246)
Income from investments in unconsolidated affiliates	128	42	234	58
Net income	609	284	1,291	602
Less: net income attributable to noncontrolling interests	11	15	24	29
Net income attributable to Fiserv	\$ 598	\$ 269	\$ 1,267	\$ 573
GAAP earnings per share attributable to Fiserv - diluted	\$ 0.92	\$ 0.40	\$ 1.94	\$ 0.85
Diluted shares used in computing earnings per share attributable to Fiserv	650.8	672.7	654.0	676.3

Earnings per share is calculated using actual, unrounded amounts.

News Release

Fiserv, Inc.
Reconciliation of GAAP to
Adjusted Net Income and Adjusted Earnings Per Share
(In millions, except per share amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
GAAP net income attributable to Fiserv	\$ 598	\$ 269	\$ 1,267	\$ 573
Adjustments:				
Merger and integration costs ¹	39	148	61	273
Severance costs ²	47	4	99	14
Amortization of acquisition-related intangible assets ³	471	513	946	1,019
Non wholly-owned entity activities ⁴	(14)	7	(70)	7
Gain on sale of assets ⁵	—	—	(147)	—
Tax impact of adjustments ⁶	(128)	(154)	(222)	(302)
Discrete tax items ⁷	—	134	—	134
Adjusted net income	\$ 1,013	\$ 921	\$ 1,934	\$ 1,718
GAAP earnings per share attributable to Fiserv	\$ 0.92	\$ 0.40	\$ 1.94	\$ 0.85
Adjustments - net of income taxes:				
Merger and integration costs ¹	0.05	0.17	0.07	0.31
Severance costs ²	0.06	—	0.12	0.02
Amortization of acquisition-related intangible assets ³	0.57	0.59	1.14	1.16
Non wholly-owned entity activities ⁴	(0.04)	0.01	(0.11)	0.01
Gain on sale of assets ⁵	—	—	(0.21)	—
Discrete tax items ⁷	—	0.20	—	0.20
Adjusted earnings per share	\$ 1.56	\$ 1.37	\$ 2.96	\$ 2.54
GAAP earnings per share attributable to Fiserv growth	130 %		128 %	
Adjusted earnings per share growth	14 %		17 %	

See pages 3-4 for disclosures related to the use of non-GAAP financial measures.

Earnings per share is calculated using actual, unrounded amounts.

¹ Represents acquisition and related integration costs incurred in connection with various acquisitions, including those in 2021 related to the First Data acquisition.

Merger and integration costs in the second quarter and first six months of 2022 primarily include share-based compensation attributable to various acquisitions. First Data integration costs in the second quarter and first six months of 2021 primarily include \$63 million and \$115 million, respectively, of third-party professional service fees associated with integration activities; \$10 million and \$28 million, respectively, of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; and \$48 million and \$93 million, respectively, of other integration-related compensation costs.

² Represents severance costs associated with the achievement of expense management initiatives.

³ Represents amortization of intangible assets acquired through various acquisitions, including customer relationships, software/technology and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, and financing costs and debt discounts. See additional information on page 14 for an analysis of the company's amortization expense.

⁴ Represents the company's share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest. This adjustment during the second quarter and first six months of 2022 also includes gains totaling \$110 million and \$201 million, respectively, related to certain equity investment transactions. In addition, the second quarter and first six months of 2022 includes other expense of \$59 million associated with joint venture

News Release

debt guarantees. This adjustment during the second quarter and first six months of 2021 also includes gains totaling \$33 million and \$73 million, respectively, related to the fair value remeasurement and sale of certain equity investments.

- ⁵ Represents a gain associated with the sale of certain merchant contracts in conjunction with the mutual termination of one of the company's merchant alliance joint ventures.
- ⁶ The tax impact of adjustments is calculated using a tax rate of 21% and 23% in the first six months of 2022 and 2021, respectively, which approximates the company's anticipated annual effective tax rates, exclusive of the \$16 million actual tax impacts associated with the gain on sale of assets and certain equity investment transactions in the first six months of 2022.
- ⁷ Represents discrete tax items related to the revaluation of deferred taxes due to a change in the respective statutory tax rates in the United Kingdom and Argentina.

News Release

Fiserv, Inc.
Financial Results by Segment
(In millions, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Total Company				
Revenue	\$ 4,450	\$ 4,051	\$ 8,588	\$ 7,806
Adjustments:				
Output Solutions postage reimbursements	(222)	(202)	(461)	(407)
Deferred revenue purchase accounting adjustments	6	6	13	13
Adjusted revenue	<u>\$ 4,234</u>	<u>\$ 3,855</u>	<u>\$ 8,140</u>	<u>\$ 7,412</u>
Operating income	\$ 860	\$ 644	\$ 1,706	\$ 1,119
Adjustments:				
Merger and integration costs	39	148	61	273
Severance costs	47	4	99	14
Amortization of acquisition-related intangible assets	471	513	946	1,019
Gain on sale of assets	—	—	(147)	—
Adjusted operating income	<u>\$ 1,417</u>	<u>\$ 1,309</u>	<u>\$ 2,665</u>	<u>\$ 2,425</u>
Operating margin	19.3 %	15.9 %	19.9 %	14.3 %
Adjusted operating margin	33.5 %	33.9 %	32.7 %	32.7 %
Merchant Acceptance ("Acceptance")¹				
Revenue	<u>\$ 1,901</u>	<u>\$ 1,666</u>	<u>\$ 3,554</u>	<u>\$ 3,063</u>
Operating income	<u>\$ 593</u>	<u>\$ 524</u>	<u>\$ 1,063</u>	<u>\$ 911</u>
Operating margin	31.2 %	31.4 %	29.9 %	29.7 %
Financial Technology ("Fintech")¹				
Revenue	<u>\$ 803</u>	<u>\$ 754</u>	<u>\$ 1,581</u>	<u>\$ 1,490</u>
Operating income	<u>\$ 281</u>	<u>\$ 273</u>	<u>\$ 556</u>	<u>\$ 519</u>
Operating margin	35.0 %	36.2 %	35.2 %	34.9 %
Payments and Network ("Payments")				
Revenue	\$ 1,518	\$ 1,421	\$ 2,980	\$ 2,826
Adjustments:				
Deferred revenue purchase accounting adjustments	6	6	13	13
Adjusted revenue	<u>\$ 1,524</u>	<u>\$ 1,427</u>	<u>\$ 2,993</u>	<u>\$ 2,839</u>
Operating income	\$ 662	\$ 629	\$ 1,280	\$ 1,207
Adjustments:				
Merger and integration costs	6	7	13	14
Adjusted operating income	<u>\$ 668</u>	<u>\$ 636</u>	<u>\$ 1,293</u>	<u>\$ 1,221</u>
Operating margin	43.6 %	44.3 %	42.9 %	42.7 %
Adjusted operating margin	43.8 %	44.6 %	43.2 %	43.0 %

News Release

Fiserv, Inc.
Financial Results by Segment (cont.)
(In millions, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Corporate and Other				
Revenue	\$ 228	\$ 210	\$ 473	\$ 427
Adjustments:				
Output Solutions postage reimbursements	(222)	(202)	(461)	(407)
Adjusted revenue	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 12</u>	<u>\$ 20</u>
Operating loss	\$ (676)	\$ (782)	\$ (1,193)	\$ (1,518)
Adjustments:				
Merger and integration costs	33	141	48	259
Severance costs	47	4	99	14
Amortization of acquisition-related intangible assets	471	513	946	1,019
Gain on sale of assets	—	—	(147)	—
Adjusted operating loss	<u>\$ (125)</u>	<u>\$ (124)</u>	<u>\$ (247)</u>	<u>\$ (226)</u>

See pages 3-4 for disclosures related to the use of non-GAAP financial measures.

Operating margin percentages are calculated using actual, unrounded amounts.

¹ For all periods presented in the Acceptance and Fintech segments, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

News Release

Fiserv, Inc.
Condensed Consolidated Statements of Cash Flows¹
(In millions, unaudited)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities		
Net income	\$ 1,291	\$ 602
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and other amortization	642	560
Amortization of acquisition-related intangible assets	966	1,050
Amortization of financing costs and debt discounts	22	25
Share-based compensation	155	127
Deferred income taxes	(317)	(69)
Gain on sale of assets	(147)	—
Income from investments in unconsolidated affiliates	(234)	(58)
Distributions from unconsolidated affiliates	41	13
Non-cash impairment charges	—	5
Other operating activities	3	(22)
Changes in assets and liabilities, net of effects from acquisitions:		
Trade accounts receivable	(363)	(154)
Prepaid expenses and other assets	(224)	(56)
Contract costs	(154)	(150)
Accounts payable and other liabilities	111	171
Contract liabilities	13	(31)
Net cash provided by operating activities	1,805	2,013
Cash flows from investing activities		
Capital expenditures, including capitalized software and other intangibles	(718)	(494)
Proceeds from sale of assets	175	—
Payments for acquisition of businesses, net of cash acquired	(668)	(493)
Distributions from unconsolidated affiliates	78	52
Purchases of investments	(30)	(235)
Proceeds from sale of investments	3	472
Net cash used in investing activities	(1,160)	(698)
Cash flows from financing activities		
Debt proceeds	1,191	4,343
Debt repayments, including debt financing costs	(1,610)	(5,415)
Net proceeds from commercial paper and short-term borrowings	869	1,047
Proceeds from issuance of treasury stock	72	60
Purchases of treasury stock, including employee shares withheld for tax obligations	(1,078)	(1,361)
Settlement activity, net	(189)	166
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(22)	(21)
Payments of acquisition-related contingent consideration	—	(28)
Other financing activities	13	(2)
Net cash used in financing activities	(754)	(1,211)
Effect of exchange rate changes on cash and cash equivalents	(33)	(2)
Net change in cash and cash equivalents	(142)	102
Cash and cash equivalents, beginning balance	3,205	2,569
Cash and cash equivalents, ending balance	\$ 3,063	\$ 2,671

¹ The company revised, for comparable purposes with the current period's presentation, the consolidated statement of cash flows presentation for the six months ended June 30, 2021 to include cash and cash equivalents within settlement assets as a component of total cash and cash equivalents.

News Release

Fiserv, Inc.
Condensed Consolidated Balance Sheets
(In millions, unaudited)

	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 883	\$ 835
Trade accounts receivable – net	3,194	2,860
Prepaid expenses and other current assets	1,525	1,523
Settlement assets	14,679	13,652
Total current assets	20,281	18,870
Property and equipment – net	1,804	1,742
Customer relationships – net	9,013	9,991
Other intangible assets – net	4,003	4,018
Goodwill	36,829	36,433
Contract costs – net	849	811
Investments in unconsolidated affiliates	2,517	2,561
Other long-term assets	1,916	1,823
Total assets	\$ 77,212	\$ 76,249
Liabilities and Equity		
Accounts payable and accrued expenses	\$ 3,472	\$ 3,550
Short-term and current maturities of long-term debt	600	508
Contract liabilities	600	585
Settlement obligations	14,679	13,652
Total current liabilities	19,351	18,295
Long-term debt	20,915	20,729
Deferred income taxes	3,797	4,172
Long-term contract liabilities	216	225
Other long-term liabilities	963	878
Total liabilities	45,242	44,299
Redeemable noncontrolling interests	161	278
Fiserv shareholders' equity	31,109	30,952
Noncontrolling interests	700	720
Total equity	31,809	31,672
Total liabilities and equity	\$ 77,212	\$ 76,249

News Release

Fiserv, Inc.
Selected Non-GAAP Financial Measures and Additional Information
(In millions, unaudited)

Organic Revenue Growth ¹	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Growth	2022	2021	Growth
Total Company						
Adjusted revenue	\$ 4,234	\$ 3,855		\$ 8,140	\$ 7,412	
Currency impact ²	60	—		91	—	
Acquisition adjustments	(11)	—		(22)	—	
Divestiture adjustments	(6)	(25)		(12)	(42)	
Organic revenue	<u>\$ 4,277</u>	<u>\$ 3,830</u>	12%	<u>\$ 8,197</u>	<u>\$ 7,370</u>	11%
Acceptance						
Adjusted revenue	\$ 1,901	\$ 1,666		\$ 3,554	\$ 3,063	
Currency impact ²	42	—		64	—	
Acquisition adjustments	(8)	—		(19)	—	
Divestiture adjustments	—	(17)		—	(22)	
Organic revenue	<u>\$ 1,935</u>	<u>\$ 1,649</u>	17%	<u>\$ 3,599</u>	<u>\$ 3,041</u>	18%
Fintech						
Adjusted revenue	\$ 803	\$ 754		\$ 1,581	\$ 1,490	
Currency impact ²	3	—		4	—	
Acquisition adjustments	(3)	—		(3)	—	
Organic revenue	<u>\$ 803</u>	<u>\$ 754</u>	7%	<u>\$ 1,582</u>	<u>\$ 1,490</u>	6%
Payments						
Adjusted revenue	\$ 1,524	\$ 1,427		\$ 2,993	\$ 2,839	
Currency impact ²	15	—		23	—	
Organic revenue	<u>\$ 1,539</u>	<u>\$ 1,427</u>	8%	<u>\$ 3,016</u>	<u>\$ 2,839</u>	6%
Corporate and Other						
Adjusted revenue	\$ 6	\$ 8		\$ 12	\$ 20	
Divestiture adjustments	(6)	(8)		(12)	(20)	
Organic revenue	<u>\$ —</u>	<u>\$ —</u>		<u>\$ —</u>	<u>\$ —</u>	

See pages 3-4 for disclosures related to the use of non-GAAP financial measures.

Organic revenue growth is calculated using actual, unrounded amounts.

¹ Organic revenue growth is measured as the change in adjusted revenue (see pages 9-10) for the current period excluding the impact of foreign currency fluctuations and revenue attributable to acquisitions and dispositions, divided by adjusted revenue from the prior period excluding revenue attributable to dispositions.

² Currency impact is measured as the increase or decrease in adjusted revenue for the current period by applying prior period foreign currency exchange rates to present a constant currency comparison to prior periods.

News Release

Fiserv, Inc.
Selected Non-GAAP Financial Measures and Additional Information (cont.)
(In millions, unaudited)

Free Cash Flow	Six Months Ended June 30,	
	2022	2021
Net cash provided by operating activities	\$ 1,805	\$ 2,013
Capital expenditures	(718)	(494)
Adjustments:		
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(22)	(21)
Distributions from unconsolidated affiliates included in cash flows from investing activities	78	52
Severance, merger and integration payments	129	218
Tax payments on adjustments	(27)	(50)
Tax payments on gain on sales of assets and investments in unconsolidated affiliates	26	—
Other	(10)	—
Free cash flow	<u>\$ 1,261</u>	<u>\$ 1,718</u>

Total Amortization ¹	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Acquisition-related intangible assets	\$ 480	\$ 524	\$ 966	\$ 1,045
Capitalized software and other intangibles	87	70	167	126
Purchased software	55	59	113	124
Financing costs and debt discounts	11	12	22	25
Sales commissions	27	24	52	48
Deferred conversion costs	17	12	33	24
Total amortization	<u>\$ 677</u>	<u>\$ 701</u>	<u>\$ 1,353</u>	<u>\$ 1,392</u>

See pages 3-4 for disclosures related to the use of non-GAAP financial measures.

¹ The company adjusts its non-GAAP results to exclude amortization of acquisition-related intangible assets as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions (see corresponding adjustment on page 7). The adjustment for acquired First Data software/technology excludes only the incremental amortization related to the fair value purchase accounting allocation. Management believes that the adjustment of acquisition-related intangible asset amortization supplements the GAAP information with a measure that can be used to assess the comparability of operating performance. Although the company excludes amortization from acquisition-related intangible assets from its non-GAAP expenses, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

News Release

Fiserv, Inc. Full Year Forward-Looking Non-GAAP Financial Measures

Reconciliations of unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this news release, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of these items that are excluded from the non-GAAP outlook measures. The company's forward-looking non-GAAP financial measures for 2022, including organic revenue growth, adjusted earnings per share and adjusted earnings per share growth, are designed to enhance shareholders' ability to evaluate the company's performance by excluding certain items to focus on factors and trends affecting its business.

Organic Revenue Growth - The company's organic revenue growth outlook for 2022 excludes the impact of foreign currency fluctuations, acquisitions, dispositions and the impact of the company's Output Solutions postage reimbursements and includes deferred revenue purchase accounting adjustments. The currency impact is measured as the increase or decrease in the expected adjusted revenue for the period by applying prior period foreign currency exchange rates to present a constant currency comparison to prior periods.

	Growth
2022 Revenue	8% - 10%
Output Solutions postage reimbursements	(1.0)%
2022 Adjusted revenue	7% - 9%
Currency impact	2.0%
Acquisition adjustments	(0.5)%
Divestiture adjustments	0.5%
2022 Organic revenue	9% - 11%

Adjusted Earnings Per Share - The company's adjusted earnings per share outlook for 2022 excludes certain non-cash or other items such as non-cash intangible asset amortization expense associated with acquisitions; non-cash impairment charges; merger and integration costs; severance costs; gains or losses from the sale of businesses, certain assets and investments; and certain discrete tax benefits and expenses, and includes non-cash deferred revenue purchase accounting adjustments. The company completed First Data acquisition related integration activities as of December 31, 2021, and therefore does not expect to incur additional costs associated with the achievement of cost synergies related to the First Data acquisition, resulting in lower merger and integration costs in 2022. The company estimates that amortization expense in 2022 with respect to acquired intangible assets will approximate the amount incurred in 2021.

Other adjustments to the company's financial measures that were incurred in 2021 and for the three and six months ended June 30, 2022, are presented in this news release; however, they are not necessarily indicative of adjustments that may be incurred in the remainder of 2022 or beyond. Estimates of these impacts and adjustments on a forward-looking basis are not available due to the variability, complexity and limited visibility of these items.

News Release

Fiserv, Inc.
Full Year Forward-Looking Non-GAAP Financial Measures (cont.)

The company's adjusted earnings per share growth outlook for 2022 is based on 2021 adjusted earnings per share performance.

2021 GAAP net income attributable to Fiserv	\$	1,334
Adjustments:		
Merger and integration costs ¹		865
Severance costs ²		81
Amortization of acquisition-related intangible assets ³		1,982
Non wholly-owned entity activities ⁴		51
Tax impact of adjustments ⁵		(685)
Discrete tax items ⁶		118
2021 adjusted net income	<u>\$</u>	<u>3,746</u>
Weighted average common shares outstanding - diluted		671.6
2021 GAAP earnings per share attributable to Fiserv	\$	1.99
Adjustments - net of income taxes:		
Merger and integration costs ¹		0.99
Severance costs ²		0.09
Amortization of acquisition-related intangible assets ³		2.27
Non wholly-owned entity activities ⁴		0.06
Discrete tax items ⁶		0.18
2021 adjusted earnings per share	<u>\$</u>	<u>5.58</u>
2022 adjusted earnings per share outlook		\$6.45 - \$6.55
2022 adjusted earnings per share growth outlook		16% - 17%

In millions, except per share amounts, unaudited. Earnings per share is calculated using actual, unrounded amounts. See pages 3-4 for disclosures related to the use of non-GAAP financial measures.

Fiserv, Inc.
Full Year Forward-Looking Non-GAAP Financial Measures (cont.)

- ¹ Represents acquisition and related integration costs incurred in connection with various acquisitions, primarily related to the First Data acquisition. First Data integration costs primarily include \$370 million of third-party professional service fees associated with integration activities; \$44 million of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; and \$277 million of other integration-related compensation costs.
- ² Represents severance costs associated with the achievement of expense management initiatives, including those related to the First Data acquisition.
- ³ Represents amortization of intangible assets acquired through various acquisitions, including customer relationships, software/technology and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, and financing costs and debt discounts.
- ⁴ Represents the company's share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest. This adjustment also includes net gains totaling \$98 million related to the fair value remeasurement and sale of certain equity investments.
- ⁵ The tax impact of adjustments is calculated using a tax rate of 23%, which approximates the company's annual effective tax rate.
- ⁶ Represents certain discrete tax items, such as foreign-derived intangible income tax benefits from a subsidiary restructuring and the revaluation of deferred taxes due to a change in the respective statutory tax rates in the United Kingdom and Argentina.

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