

Fourth Quarter 2021 Financial Results

February 8, 2022

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated organic revenue growth (formerly referred to as internal revenue growth), adjusted earnings per share, adjusted earnings per share growth, free cash flow conversion, adjusted operating margin, adjusted operating margin expansion 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 are, and 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 possibility that the company may be unable to achieve expected revenue synergies from the acquisition of First Data Corporation (“First Data”) within the expected time frames; 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 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 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, 2020, 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 presentation.

Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures. Additional information about these measures, reconciliations to the nearest GAAP financial measures and additional information about the basis of the presentation of our fourth quarter and full year financial results are provided in the appendix to this presentation.

Fourth Quarter Highlights

- Adjusted Revenue of \$4.02 billion, up 11%
- Organic Revenue Growth of 11%
- Adjusted Earnings Per Share of \$1.57, up 21%
- Adjusted Operating Margin of 35.6%, consistent with 4Q20
- Free Cash Flow of \$1.24 billion and \$3.53 billion in 4Q21 and FY21, respectively
- Actioned \$50 million of cost synergies in 4Q21; completing \$1.2 billion of targeted merger cost synergies over two years ahead of schedule
- Actioned \$60 million of revenue synergies in 4Q21; \$480 million generated to date - 80% of \$600 million commitment through July 2024
- Full year organic revenue growth of 11%, at high end of 7%-12% original outlook and \$5.58 adjusted earnings per share, above original outlook of \$5.25-\$5.45
- Closed three acquisitions in 4Q21; seven acquisitions in FY21, as part of strategic use of capital allocation - already driving revenue and customer engagement
- Signed a definitive agreement in 1Q22 to acquire Finxact, a leading developer of cloud-native banking solutions, positioning Fiserv as the partner of choice in clients' digital transformation journeys
- Bought back 23.3 million shares for a record \$2.6 billion returned to shareholders in FY21, including 9.9 million shares for \$1.0 billion in 4Q21
- Launched Euro (4Q21) and USD (2Q21) commercial paper programs, lowering our effective cost of debt

See appendix for information regarding non-GAAP financial measures. All comparisons throughout this presentation are year-over-year 4Q21 vs. 4Q20 and FY21 vs. FY20, unless otherwise noted.

Finxact - Strong Strategic Rationale

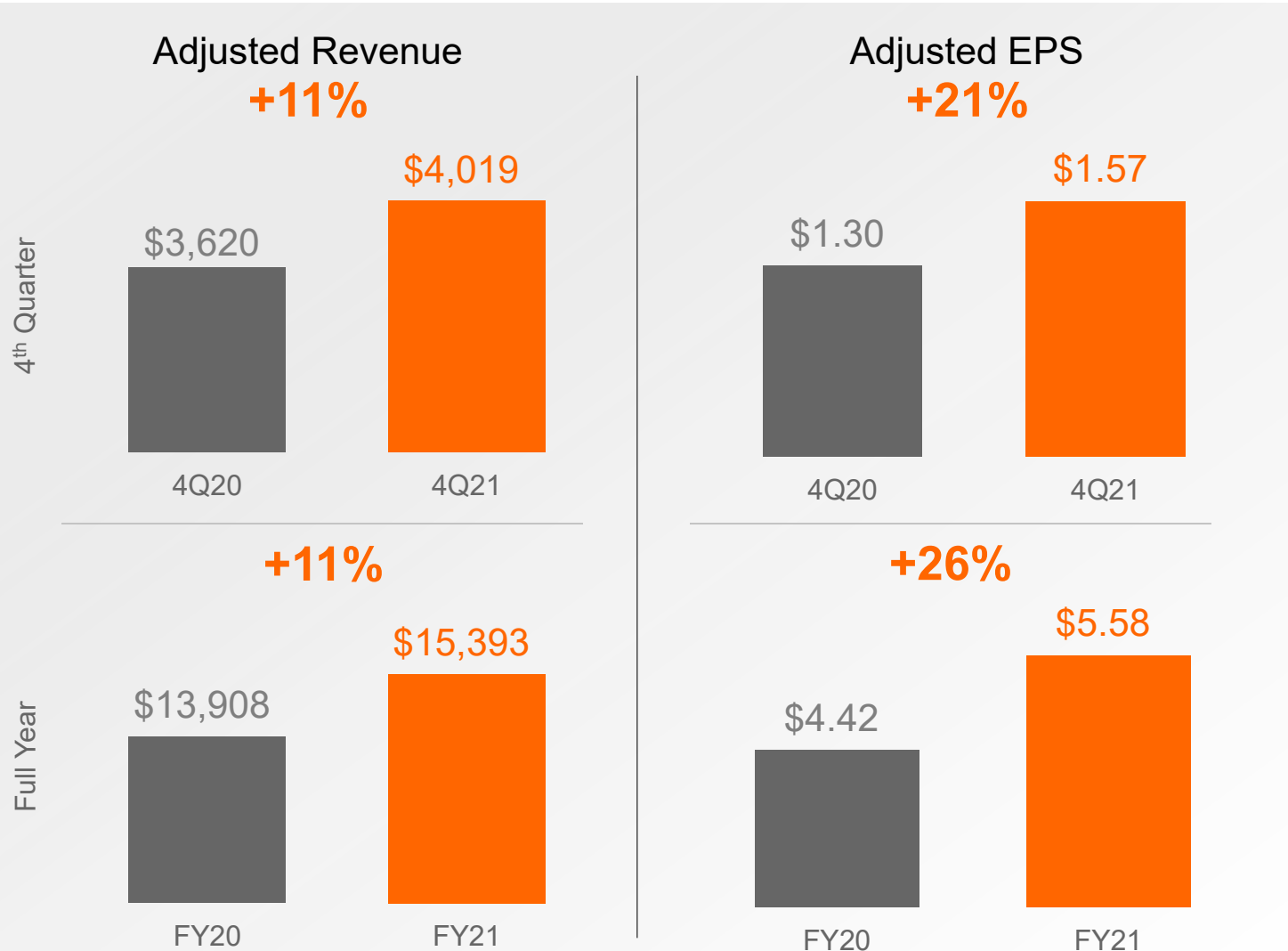
Who is Finxact

- Developer of cloud-native banking solutions
- Modern architecture – flexible, scalable, API-based, real time, faster time-to-market
- Provides customer-centric banking experiences powering digital transformation
- Strong team with deep financial technology experience

Strategic Value

- Supports strategy to innovate and bring next generation financial technology to community banks and credit unions
- Enhances solutions for a broad array of customers: large financial institutions, fintechs, banking-as-a-service and embedded finance
- Advances capability across account processing, digital and payments

Adjusted Revenue and Adjusted EPS



11%

organic revenue growth in both 4Q21 and FY21

23% and 27%

sales growth in 4Q21 and FY21, respectively

11% and 19%

adjusted operating income growth in 4Q21 and FY21, respectively

21% and 26%

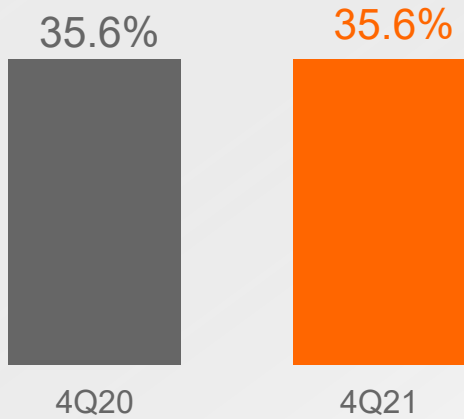
adjusted EPS growth in 4Q21 and FY21, respectively

\$ in millions, except per share amounts, unaudited. See appendix for information regarding non-GAAP financial measures.

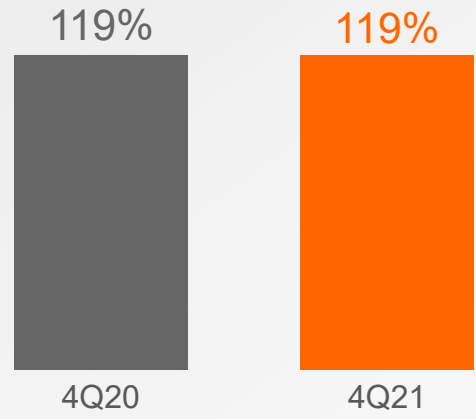
Adjusted Operating Margin and Free Cash Flow Conversion

Adjusted Operating Margin

4th Quarter



Free Cash Flow Conversion



+250 bps

adjusted operating margin expansion in FY21

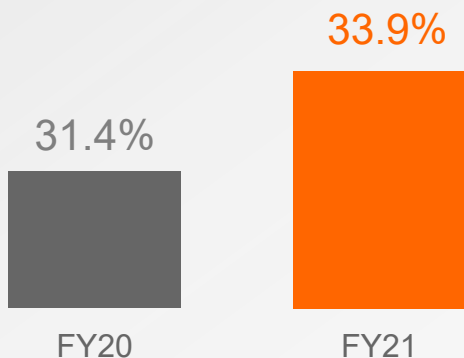
\$200M

cost synergies actioned in FY21

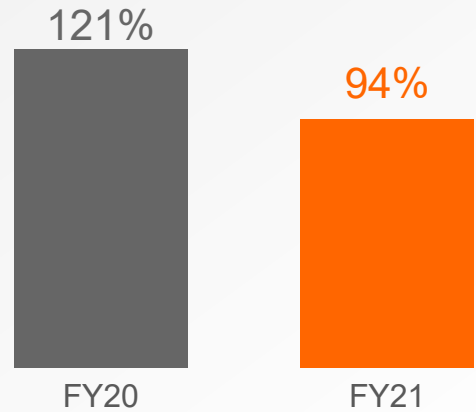
\$265M

revenue synergies actioned in FY21

Full Year



+250 bps

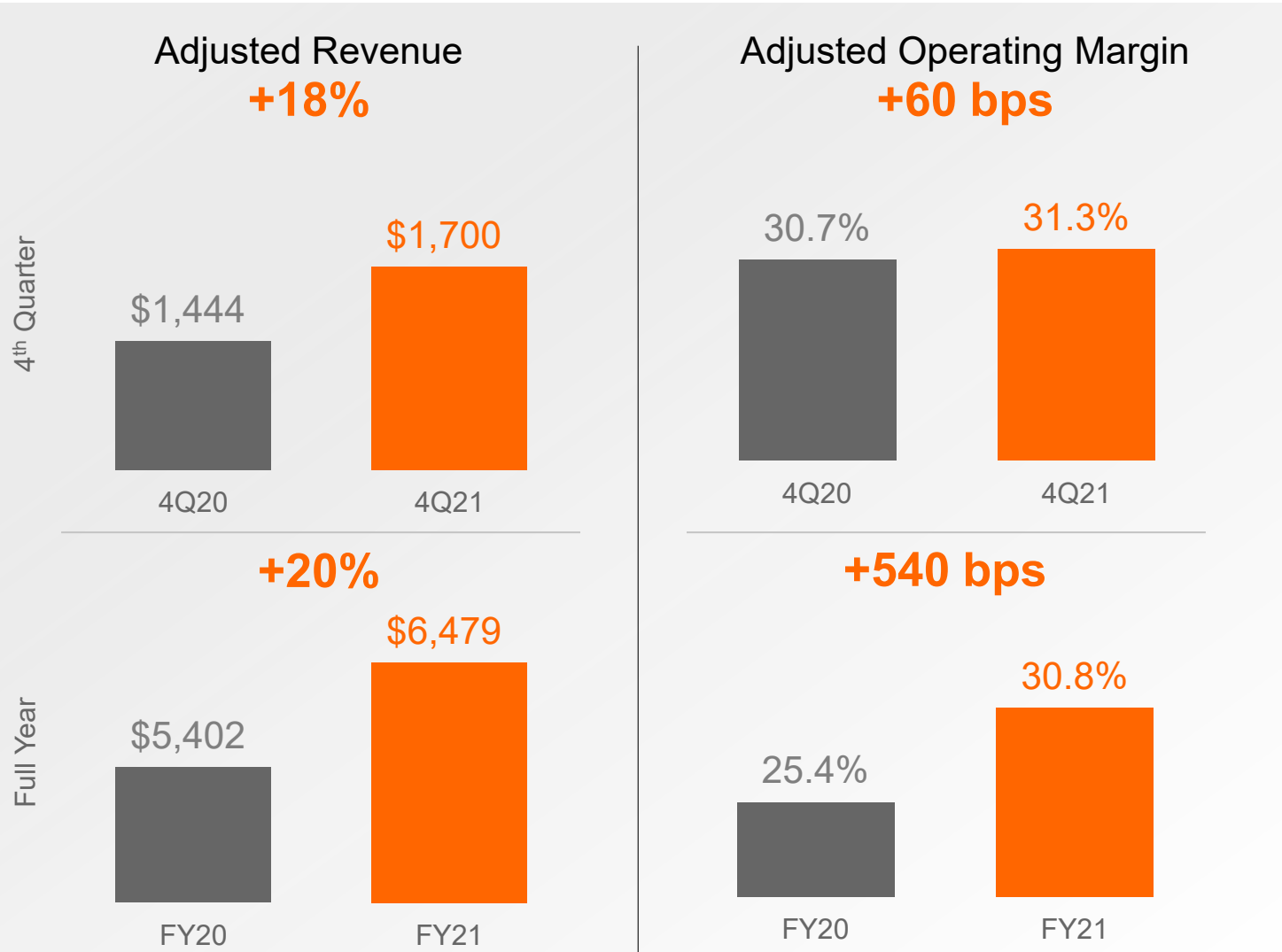


\$3.5B

free cash flow in FY21, resulting in 94% conversion

Unaudited. See appendix for information regarding non-GAAP financial measures.

Merchant Acceptance Segment



19% and 20%

organic revenue growth in 4Q21 and FY21, respectively

+60 bps and +540 bps

adjusted operating margin expansion in 4Q21 and FY21, respectively

22% and 18%

global merchant volume and transaction growth, respectively, in 4Q21*

19%

global e-commerce volume growth in 4Q21*

50%

Clover® GPV growth in 4Q21 to \$201B annualized

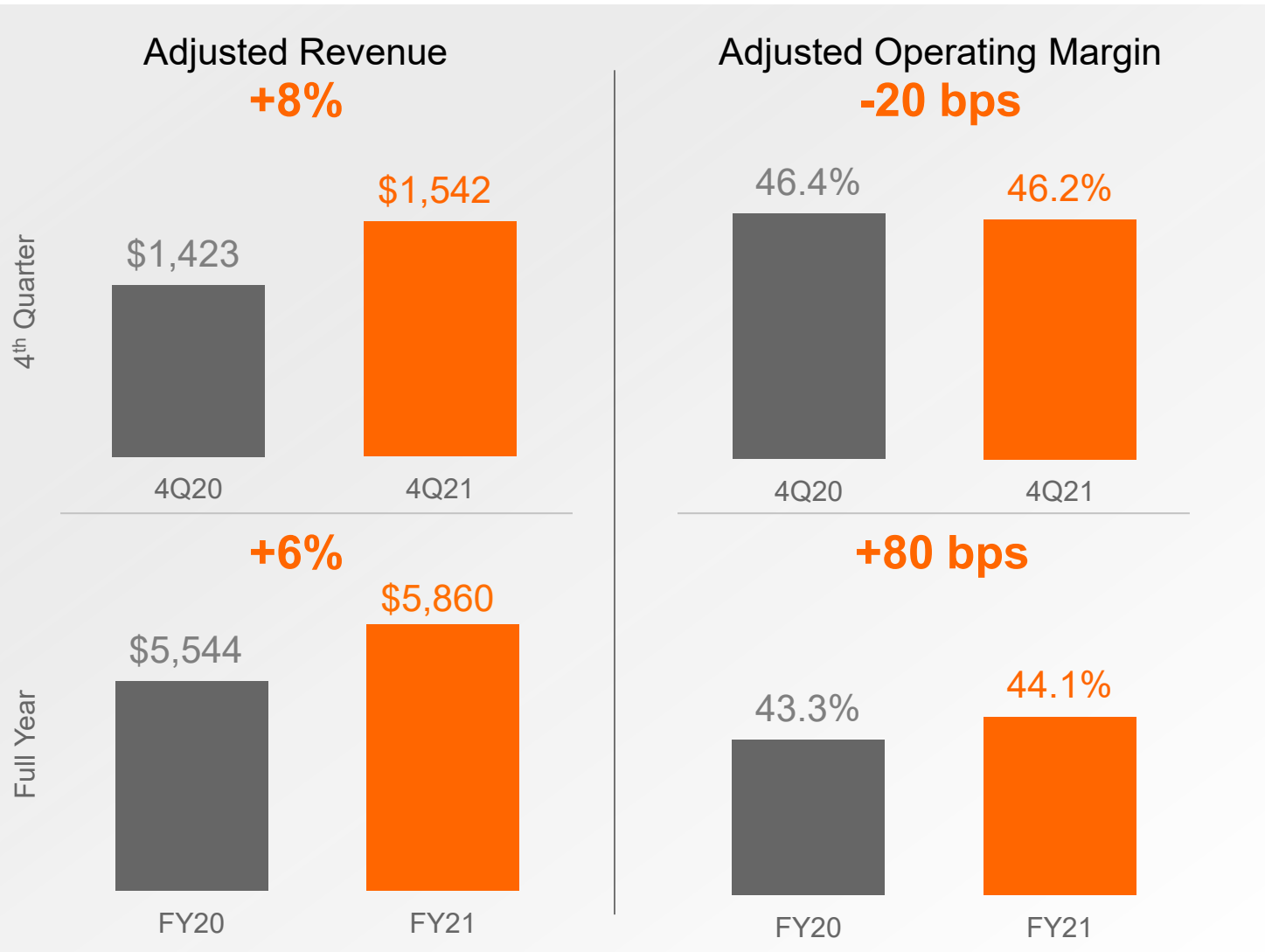
64% and 76%

ISV volume growth in 4Q21 and FY21, respectively

\$ in millions, unaudited. "GPV" represents gross payment volume and "ISV" represents independent software vendor. See appendix for information regarding non-GAAP financial measures.

*represents growth excluding the impact of the loss of a large processing client at a joint venture; including the impact, 4Q21 global merchant volume growth was 16%, global transaction growth was 13% and global e-commerce volume growth was 7%

Payments and Network Segment



8% and 6%

organic revenue growth in 4Q21 and FY21, respectively

+80 bps

adjusted operating margin expansion in FY21

14%

debit transaction growth in 4Q21

71% and 57%

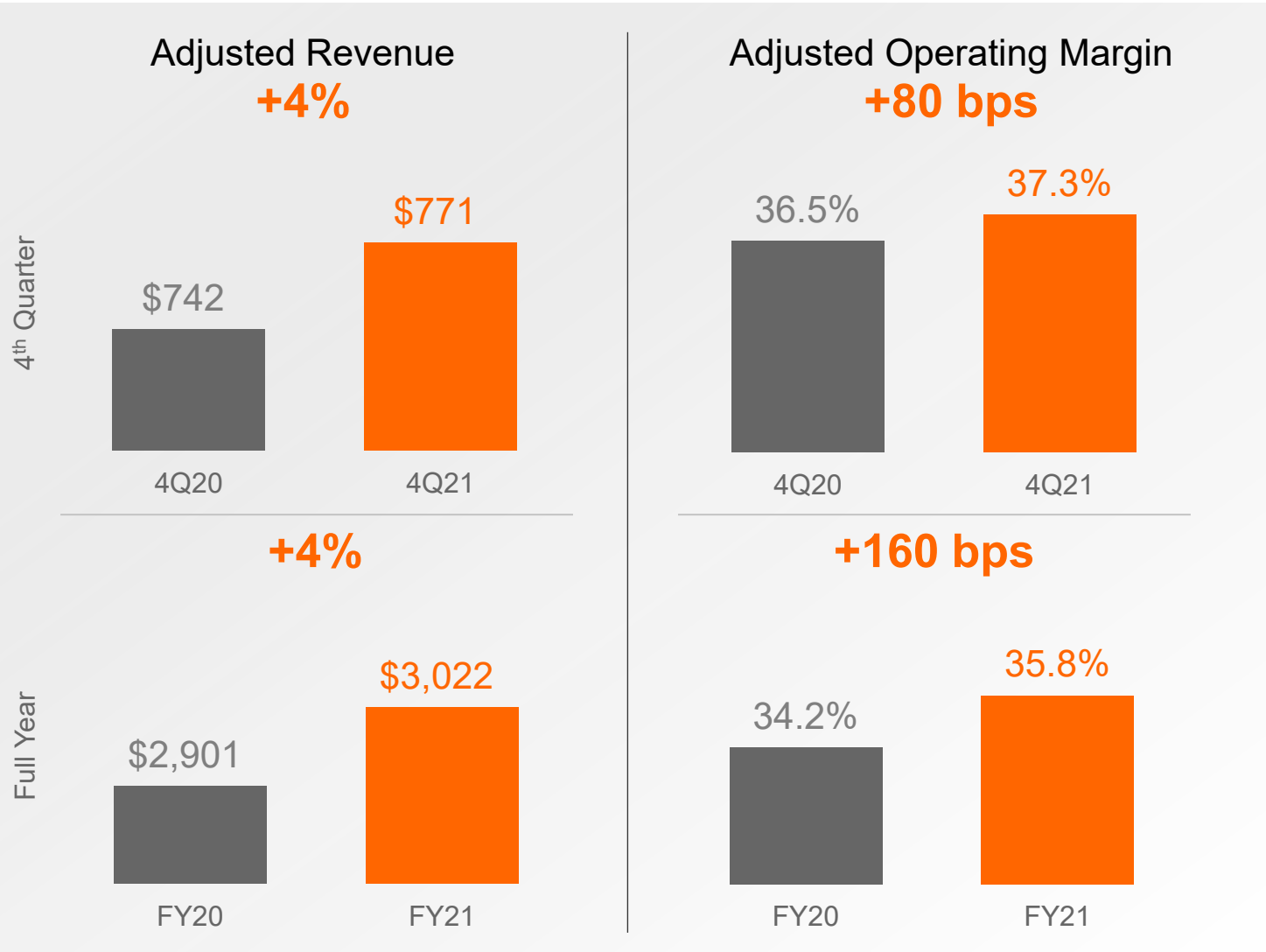
growth in Zelle® transactions and number of clients in 4Q21, respectively

international momentum

long-term agreements with National Australia Bank and UnionPay International

\$ in millions, unaudited. See appendix for information regarding non-GAAP financial measures.

Financial Technology Segment



4%

organic revenue growth in both 4Q21 and FY21

+80 bps and +160 bps

adjusted operating margin expansion in 4Q21 and FY21, respectively

14

new core wins, including 11 competitive takeaways, in 4Q21

13

new core wins with assets >\$1B in FY21

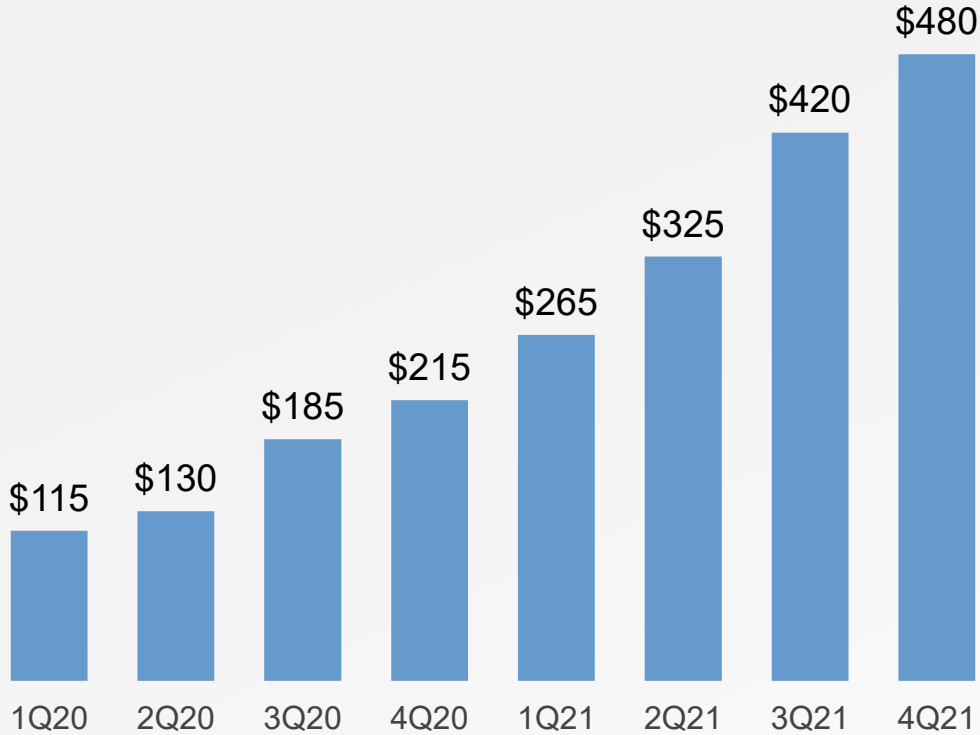
211 and 434

client sales in 4Q21 and FY21, respectively, for Abiliti, our cloud-based online and mobile banking platform

\$ in millions, unaudited. See appendix for information regarding non-GAAP financial measures.

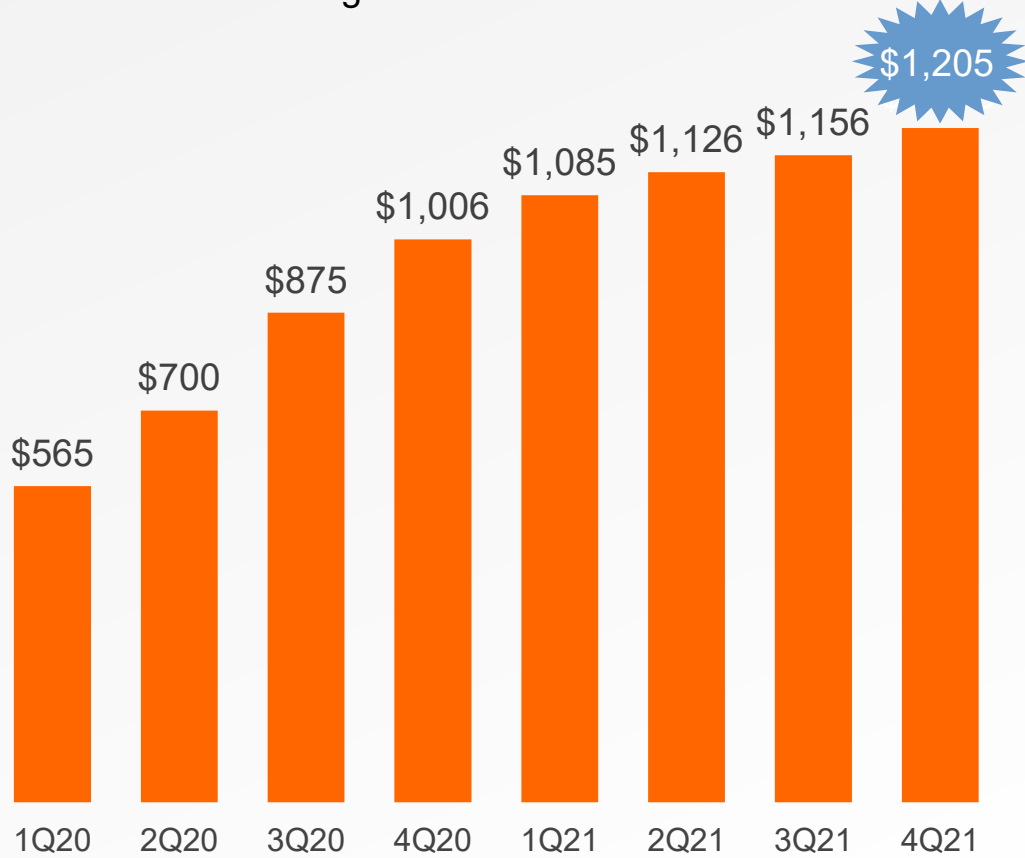
Actioned Synergies

Revenue



Cost

Completed cost synergies program \$300M and over two years ahead of original commitment



\$ in millions, unaudited. Merger-to-date actioned synergies through December 2021.



2022 Performance Outlook

Key Financial Metrics

Guidance

Organic Revenue Growth

7% - 9%

Adjusted EPS

\$6.40 - \$6.55
(15% - 17% growth)

Other Financial Metrics

Adjusted Operating Margin
Expansion

>150 bps

Free Cash Flow Conversion

95% - 100%

See appendix for information regarding non-GAAP financial measures.

Appendix

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

This presentation includes the following unaudited non-GAAP financial measures: "adjusted revenue," "organic revenue" (formerly referred to as internal revenue), "organic revenue growth," "adjusted operating income," "adjusted operating margin," "adjusted operating margin expansion," "adjusted net income," "adjusted earnings per share," "adjusted earnings per share growth," "free cash flow," and "free cash flow conversion." 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. Additional information about these measures and reconciliations to the nearest GAAP financial measures are provided in this appendix.

Forward-looking Non-GAAP Financial Measures

Reconciliations of unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this presentation, 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, adjusted operating margin, and free cash flow conversion, 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. The company's organic revenue growth outlook includes deferred revenue purchase accounting adjustments and excludes the impact of foreign currency fluctuations, acquisitions, dispositions and the company's Output Solutions postage reimbursements. Estimates of these impacts and adjustments on a forward-looking basis are presented on page 25 and are subject to variability. The company's adjusted earnings per share and adjusted operating margin outlooks exclude certain non-cash or other items such as non-cash intangible asset amortization expense associated with acquisitions, non-cash impairment charges, restructuring costs, merger and integration costs, severance costs, gains or losses from the sale of businesses and investments and certain discrete tax benefits and expenses, and includes non-cash deferred revenue purchase accounting adjustments. The company has completed First Data acquisition integration activities as of December 31, 2021 and 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's adjusted operating margin outlook excludes the impact of the company's Output Solutions postage reimbursements. The company's free cash flow outlook and free cash flow conversion outlook includes, but is not limited to, capital expenditures, distributions paid to noncontrolling interests, and distributions from unconsolidated affiliates and excludes severance, merger and integration payments. 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 are presented on the subsequent pages of this presentation; however, they are not necessarily indicative of adjustments that may be incurred throughout 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.

4Q21 Revenue Details

	Merchant Acceptance	Payments and Network	Financial Technology	Corporate and Other	Total Company
GAAP revenue	\$1,700	\$1,536	\$771	\$250	\$4,257
Output solutions postage reimbursements	-	-	-	(244)	(244)
Deferred revenue adjustments	-	6	-	-	6
Adjusted revenue	\$1,700	\$1,542	\$771	\$6	\$4,019
Currency impact (FX)	21	3	-	-	24
Acquisitions and divestitures, net	(7)	(6)	-	(6)	(19)
Organic revenue	\$1,714	\$1,539	\$771	\$ -	\$4,024

	Merchant Acceptance	Payments and Network	Financial Technology	Corporate and Other	Total Company
GAAP revenue growth	18%	9%	4%	N/M	11%
Adjusted revenue growth	18%	8%	4%	N/M	11%
Organic revenue growth	19%	8%	4%	N/M	11%

\$ in millions, unaudited. See page 13 for information regarding non-GAAP financial measures and pages 19-20 for related adjustments.
N/M: not meaningful for comparison

Adjusted Revenue and Adjusted Operating Income

Total Company

	4Q21	4Q20	FY21	FY20
Revenue	\$ 4,257	\$ 3,832	\$ 16,226	\$ 14,852
Adjustments:				
Output Solutions postage reimbursements	(244)	(224)	(860)	(864)
Deferred revenue purchase accounting adjustments	6	12	27	46
Merchant Services adjustment ¹	—	—	—	(126)
Adjusted revenue	<u>\$ 4,019</u>	<u>\$ 3,620</u>	<u>\$ 15,393</u>	<u>\$ 13,908</u>
Operating income	\$ 533	\$ 516	\$ 2,288	\$ 1,852
Adjustments:				
Merger and integration costs	382	254	861	902
Severance costs	43	16	81	108
Amortization of acquisition-related intangible assets	473	501	1,982	2,024
Merchant Services adjustment ¹	—	—	—	(59)
Gain on sale of businesses	—	—	—	(464)
Adjusted operating income	<u>\$ 1,431</u>	<u>\$ 1,287</u>	<u>\$ 5,212</u>	<u>\$ 4,363</u>
Operating margin	12.5 %	13.5 %	14.1 %	12.5 %
Adjusted operating margin	35.6 %	35.6 %	33.9 %	31.4 %

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

See page 13 for information regarding non-GAAP financial measures.

¹ Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

Adjusted Revenue and Adjusted Operating Income by Segment

Merchant Acceptance Segment

	4Q21	4Q20	FY21	FY20
Revenue	\$ 1,700	\$ 1,444	\$ 6,479	\$ 5,522
Adjustments:				
Deferred revenue purchase accounting adjustments	—	—	—	6
Merchant Services adjustment ¹	—	—	—	(126)
Adjusted revenue	\$ 1,700	\$ 1,444	\$ 6,479	\$ 5,402
Operating income	\$ 533	\$ 442	\$ 1,996	\$ 1,427
Adjustments:				
Merger and integration costs	—	1	—	6
Merchant Services adjustment ¹	—	—	—	(59)
Adjusted operating income	\$ 533	\$ 443	\$ 1,996	\$ 1,374
Operating margin	31.3 %	30.7 %	30.8 %	25.9 %
Adjusted operating margin	31.3 %	30.7 %	30.8 %	25.4 %

\$ in millions, unaudited. Operating margin percentages are calculated using actual, unrounded amounts.
See page 13 for information regarding non-GAAP financial measures.

¹ Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

Adjusted Revenue and Adjusted Operating Income by Segment

Payments and Network Segment

	4Q21	4Q20	FY21	FY20
Revenue	\$ 1,536	\$ 1,411	\$ 5,833	\$ 5,504
Adjustments:				
Deferred revenue purchase accounting adjustments	6	12	27	40
Adjusted revenue	<u>\$ 1,542</u>	<u>\$ 1,423</u>	<u>\$ 5,860</u>	<u>\$ 5,544</u>
Operating income	\$ 707	\$ 649	\$ 2,557	\$ 2,361
Adjustments:				
Merger and integration costs	6	11	27	40
Adjusted operating income	<u>\$ 713</u>	<u>\$ 660</u>	<u>\$ 2,584</u>	<u>\$ 2,401</u>
Operating margin	45.9 %	46.0 %	43.8 %	42.9 %
Adjusted operating margin	46.2 %	46.4 %	44.1 %	43.3 %

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

See page 13 for information regarding non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Financial Technology Segment

	4Q21	4Q20	FY21	FY20
Revenue	\$ 771	\$ 742	\$ 3,022	\$ 2,901
Operating income	\$ 287	\$ 271	\$ 1,081	\$ 992
Operating margin	37.3 %	36.5 %	35.8 %	34.2 %

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

For all periods presented in the Financial Technology segment, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

See page 13 for information regarding non-GAAP financial measures.

Adjusted and Organic Revenue by Segment

	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	Growth	2021	2020	Growth
Total Company						
Revenue	\$ 4,257	\$ 3,832	11%	\$ 16,226	\$ 14,852	9%
Output solutions postage reimbursements	(244)	(224)		(860)	(864)	
Deferred revenue purchase accounting adjustments	6	12		27	46	
Merchant Services adjustment ¹	—	—		—	(126)	
Adjusted revenue	<u>\$ 4,019</u>	<u>\$ 3,620</u>	11%	<u>\$ 15,393</u>	<u>\$ 13,908</u>	11%
Currency impact	24	—		6	—	
Acquisition adjustments	(13)	—		(39)	—	
Divestiture adjustments	(6)	(11)		(278)	(298)	
Organic revenue ²	<u>\$ 4,024</u>	<u>\$ 3,609</u>	11%	<u>\$ 15,082</u>	<u>\$ 13,610</u>	11%
Merchant Acceptance						
Revenue	\$ 1,700	\$ 1,444	18%	\$ 6,479	\$ 5,522	17%
Deferred revenue purchase accounting adjustments	—	—		—	6	
Merchant Services adjustment ¹	—	—		—	(126)	
Adjusted revenue	<u>\$ 1,700</u>	<u>\$ 1,444</u>	18%	<u>\$ 6,479</u>	<u>\$ 5,402</u>	20%
Currency impact	21	—		25	—	
Acquisition adjustments	(7)	—		(18)	—	
Divestiture adjustments	—	—		(246)	(217)	
Organic revenue ²	<u>\$ 1,714</u>	<u>\$ 1,444</u>	19%	<u>\$ 6,240</u>	<u>\$ 5,185</u>	20%
Financial Technology ³						
Revenue	\$ 771	\$ 742	4%	\$ 3,022	\$ 2,901	4%
Currency impact	—	—		(9)	—	
Organic revenue ²	<u>\$ 771</u>	<u>\$ 742</u>	4%	<u>\$ 3,013</u>	<u>\$ 2,901</u>	4%

\$ in millions, unaudited. Revenue growth is calculated using actual, unrounded amounts.

Adjusted and Organic Revenue by Segment

	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	Growth	2021	2020	Growth
Payments and Network						
Revenue	\$ 1,536	\$ 1,411	9%	\$ 5,833	\$ 5,504	6%
Deferred revenue purchase accounting adjustments	6	12		27	40	
Adjusted revenue	\$ 1,542	\$ 1,423	8%	\$ 5,860	\$ 5,544	6%
Currency impact	3	—		(10)	—	
Acquisition adjustments	(6)	—		(21)	—	
Divestiture adjustments	—	—		—	(20)	
Organic revenue ²	\$ 1,539	\$ 1,423	8%	\$ 5,829	\$ 5,524	6%
Corporate and Other						
Revenue	\$ 250	\$ 235		\$ 892	\$ 925	
Output Solutions postage reimbursements	(244)	(224)		(860)	(864)	
Adjusted revenue	\$ 6	\$ 11		\$ 32	\$ 61	
Divestiture adjustments	(6)	(11)		(32)	(61)	
Organic revenue ²	\$ —	\$ —		\$ —	\$ —	

\$ in millions, unaudited. Revenue growth is calculated using actual, unrounded amounts.
See page 13 for information regarding non-GAAP financial measures.

¹ Represents an adjustment primarily related to the company's joint venture with Bank of America. The Banc of America Merchant Services joint venture (BAMS) was dissolved effective July 1, 2020. The company owned 51% of BAMS and, through June 30, 2020, BAMS' financial results were 100% consolidated into the company's financial statements for GAAP reporting purposes. In connection with the dissolution of the joint venture, the company received a 51% share of the joint venture's value via an agreed upon contractual separation. In addition, the company will continue providing merchant processing and related services to Bank of America for its merchant clients. This non-GAAP adjustment reduces adjusted revenue and adjusted operating income by the joint venture revenue and expense that was not expected to be retained by the company upon dissolution and is partially offset by an increase to processing and services revenue.

² Organic revenue growth is measured as the change in adjusted revenue (see pages 15-18) 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. Revenue attributable to dispositions also includes current and prior period revenue associated with merchants retained by the company from the Banc of America Merchant Services joint venture through the one year period following the joint venture's July 1, 2020 dissolution date, and transition services revenue within Corporate and Other. 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.

³ For all periods presented in the Financial Technology segment, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

Adjusted Net Income and Adjusted EPS

	4Q21	4Q20	FY21	FY20
GAAP net income attributable to Fiserv	\$ 333	\$ 300	\$ 1,334	\$ 958
Adjustments:				
Merger and integration costs ¹	382	254	865	902
Severance costs ²	43	16	81	108
Amortization of acquisition-related intangible assets ³	473	501	1,982	2,024
Non wholly-owned entity activities ⁴	11	41	51	94
Tax impact of adjustments ⁵	(209)	(187)	(685)	(719)
Gain on sale of businesses ⁶	—	—	—	(464)
Tax impact on gain on sale of businesses ⁵	—	—	—	124
Discrete tax items ⁷	8	(39)	118	(7)
Adjusted net income	<u>\$ 1,041</u>	<u>\$ 886</u>	<u>\$ 3,746</u>	<u>\$ 3,020</u>
GAAP EPS attributable to Fiserv	\$ 0.50	\$ 0.44	\$ 1.99	\$ 1.40
Adjustments - net of income taxes:				
Merger and integration costs ¹	0.44	0.29	0.99	1.02
Severance costs ²	0.05	0.02	0.09	0.12
Amortization of acquisition-related intangible assets ³	0.55	0.57	2.27	2.28
Non wholly-owned entity activities ⁴	0.01	0.05	0.06	0.11
Gain on sale of businesses ⁶	—	—	—	(0.50)
Discrete tax items ⁷	0.01	(0.06)	0.18	(0.01)
Adjusted EPS	<u>\$ 1.57</u>	<u>\$ 1.30</u>	<u>\$ 5.58</u>	<u>\$ 4.42</u>

\$ in millions, except per share amounts, unaudited. Earnings per share is calculated using actual, unrounded amounts.

See page 13 for information regarding non-GAAP financial measures.

Adjusted Net Income and Adjusted EPS (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 in the fourth quarter and full year of 2021 primarily include \$160 million and \$370 million, respectively, of third party professional service fees associated with integration activities; \$3 million and \$44 million, respectively, of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; and \$124 million and \$277 million, respectively, of other integration-related compensation costs. First Data integration costs in the fourth quarter and full year of 2020 primarily include \$70 million and \$224 million, respectively, of third party professional services fees associated with integration activities; \$39 million and \$165 million, respectively, of incremental share-based compensation, including the fair value of stock awards assumed by Fiserv; \$32 million and \$137 million, respectively, of other integration-related compensation costs; \$3 million and \$118 million, respectively, of accelerated depreciation and amortization associated with the termination of certain vendor contracts; and \$80 million and \$124 million, respectively, of non-cash impairment charges associated with the early exit of certain leased facilities. The company has completed the integration activities associated with the achievement of cost synergies related to the First Data acquisition as of December 31, 2021.
- 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. See additional information on page 24 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 fourth quarter and full year of 2021 also includes net gains totaling \$23 million and \$98 million, respectively, 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, exclusive of the actual tax impacts associated with the gain on the sale of businesses.
- ⁶ Represents the gain associated with the sale of a 60% interest in the Investment Services business in February 2020 and the dissolution of the Banc of America Merchant Services joint venture in July 2020.
- ⁷ 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.

Free Cash Flow Conversion

	4Q21	4Q20	FY21	FY20
Net cash provided by operating activities	\$ 1,343	\$ 1,186	\$ 4,034	\$ 4,147
Capital expenditures	(346)	(211)	(1,160)	(900)
Adjustments:				
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(21)	(43)	(62)	(104)
Distributions from unconsolidated affiliates included in cash flows from investing activities	24	15	115	109
Severance, merger and integration payments	298	137	712	505
Tax payments on adjustments	(66)	(30)	(161)	(109)
Tax payments on gain on sale of investments in unconsolidated affiliates	10	—	54	—
Free cash flow	<u>\$ 1,242</u>	<u>\$ 1,054</u>	<u>\$ 3,532</u>	<u>\$ 3,648</u>
Adjusted net income	\$ 1,041	\$ 886	\$ 3,746	\$ 3,020
Free cash flow conversion	119 %	119 %	94 %	121 %
GAAP net income attributable to Fiserv, Inc.	\$ 333	\$ 300	\$ 1,334	\$ 958
Ratio of net cash provided by operating activities to GAAP net income attributable to Fiserv	403 %	395 %	302 %	433 %

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

See page 13 for information regarding non-GAAP financial measures. See pages 21-22 for adjusted net income reconciliation.

Additional Information – Amortization Expense

Total Amortization	<u>4Q21</u>	<u>4Q20</u>	<u>FY21</u>	<u>FY20</u>
Acquisition-related intangible assets	\$ 484	\$ 530	\$ 2,038	\$ 2,133
Capitalized software and other intangibles	66	42	268	161
Purchased software	60	57	241	269
Financing costs and debt discounts	11	11	52	47
Sales commissions	25	23	97	90
Deferred conversion costs	14	12	51	34
Total amortization	<u>\$ 660</u>	<u>\$ 675</u>	<u>\$ 2,747</u>	<u>\$ 2,734</u>

\$ in millions, unaudited.

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 pages 21-22). 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.

2022 Performance Outlook - Organic Revenue Growth

	<u>Growth</u>
2022 Revenue	7% - 9%
Output Solutions postage reimbursements	(1.0%)
2022 Adjusted revenue	<u>6% - 8%</u>
Currency impact ¹	1.0%
Acquisition adjustments ²	(0.5%)
Divestiture adjustments ³	0.5%
2022 Organic revenue ⁴	<u>7% - 9%</u>

See page 13 for information regarding non-GAAP financial measures.

¹ 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.

² Reflects expected revenue adjustments attributable to 2021 acquisitions.

³ Reflects expected revenue adjustments attributable to dispositions, including anticipated impact of divesting a portfolio of merchants to a joint venture minority partner.

⁴ Organic revenue growth is measured as the expected change in adjusted revenue (see pages 19-20) for the period excluding the anticipated 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.