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Third Quarter 2018 Financial Results Conference Call

October 31, 2018

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,” “adjusted EPS growth,” “free cash flow conversion,” and “adjusted operating margin expansion.” 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 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 the third-party debit processing solutions of Elan Financial Services; the impact of the company’s strategic initiatives; the impact of market and economic conditions on the financial services industry; 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, 2017, 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 EPS, before Lending Transaction impact,” “adjusted EPS, as adjusted for the Lending Transaction,” “adjusted net income,” “adjusted net income, before Lending Transaction impact,” “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.

3Q-18 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
3Q-18	\$1,347	\$1,327	\$0.75
3Q-17	\$1,337	\$1,269	\$0.61
Change	1%	5%	23%

\$ in millions, except per share amounts. In the first quarter of 2018, the company completed a two-for-one stock split. Accordingly, all share and per share amounts are presented on a split-adjusted basis.

See appendix for information regarding non-GAAP measures.

YTD-18 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
YTD-18	\$4,069	\$3,950	\$2.26
YTD-17	\$3,980	\$3,777	\$1.80
Change	2%	5%	26%

\$ in millions, except per share amounts. In the first quarter of 2018, the company completed a two-for-one stock split. Accordingly, all share and per share amounts are presented on a split-adjusted basis.

See appendix for information regarding non-GAAP measures.

Other Financial Metrics

	Free Cash Flow Conversion	Adjusted Operating Margin
YTD-18	86%	32.2%
YTD-17	102%	32.4%
Change ¹	(16%)	(20) bps

See appendix for information regarding non-GAAP measures.

¹Free cash flow conversion change represents the change in percentage points.

Internal Revenue Growth by Segment

Segment	3Q-18	YTD-18
Payments	5%	5%
Financial	4%	4%
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Total Company	5%	5%

See appendix for information regarding non-GAAP measures.

3Q-18 Adjusted Operating Margin

Segment	3Q-18	3Q-17	Change (bps)
Payments	34.2%	34.6%	(40)
Financial	32.7%	33.1%	(40)
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Total Company	31.6%	32.6%	(100)

See appendix for information regarding non-GAAP measures.

YTD-18 Adjusted Operating Margin

Segment	YTD-18	YTD-17	Change (bps)
Payments	34.9%	34.7%	20
Financial	33.2%	33.0%	20
Total Company	32.2%	32.4%	(20)

See appendix for information regarding non-GAAP measures.

2018 Performance Outlook

Key Financial Metrics

Growth

Internal Revenue

> 4.5%

Adjusted EPS¹

25 - 27%

Other Financial Metrics

Target

Free Cash Flow Conversion

~106%

Adjusted Operating Margin Expansion

~10 bps

¹ Reflects performance as compared to 2017 adjusted for the company's sale of a 55 percent interest of its Lending Solutions business. See page 13 for more information.



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. Revenue attributable to dispositions includes transition services revenue within Corporate and Other.

In the third quarter of 2018, acquired revenue was \$10 million (\$9 million in the Payments segment and \$1 million in the Financial segment). Revenue attributable to dispositions was \$10 million (all in Corporate and Other) and \$68 million (all in the Financial segment) in the third quarter of 2018 and 2017, respectively, primarily from the sale of a 55 percent interest of the company's Lending Solutions business (the "Lending Transaction").

During the first nine months of 2018, acquired revenue was \$45 million (\$42 million in the Payments segment and \$3 million in the Financial segment). Revenue attributable to dispositions was \$74 million (\$54 million in the Financial segment and \$20 million in Corporate and Other) and \$203 million (all in the Financial segment) in the first nine months of 2018 and 2017, respectively, primarily from the Lending Transaction.

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

Adjusted EPS

	3Q-18	3Q-17	YTD-18	YTD-17
GAAP EPS	\$ 0.55	\$ 0.54	\$ 2.16	\$ 1.62
Adjustments - net of income taxes:				
Merger, integration and other costs ¹	0.04	0.04	0.14	0.08
Severance costs	—	—	0.03	0.03
Amortization of acquisition-related intangible assets	0.08	0.06	0.23	0.18
Loss on early debt extinguishment ²	0.02	—	0.02	—
Gain on sale of businesses ³	—	—	(0.36)	(0.01)
Unconsolidated affiliate activities ⁴	0.01	(0.01)	—	(0.04)
Tax reform ⁵	0.05	—	0.05	—
Adjusted EPS, before Lending Transaction impact	<u>0.75</u>	<u>0.63</u>	<u>2.26</u>	<u>1.86</u>
Lending Transaction impact ⁶	—	(0.03)	—	(0.05)
Adjusted EPS	<u>\$ 0.75</u>	<u>\$ 0.61</u>	<u>\$ 2.26</u>	<u>\$ 1.80</u>

Earnings per share is calculated using actual, unrounded amounts. In the first quarter of 2018, the company completed a two-for-one stock split. Accordingly, all share and per share amounts are presented on a split-adjusted basis.

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

¹Merger, integration and other costs include acquisition and related integration costs of \$43 million in 2018 and \$30 million in 2017, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$32 million in 2018 and \$22 million in 2017, primarily consisting of expenses related to data center consolidation activities.

²Represents the loss on early debt extinguishment associated with the company's \$246 million cash tender offer on its outstanding \$450 million aggregate principal amount of 4.625% senior notes due October 2020.

³Represents the gain on the Lending Transaction in 2018 and the sale of the company's Australian item processing business in 2017.

⁴Represents the company's share of the net gains on the sales of businesses at StoneRiver Group, L.P., a joint venture in which the company owns a 49 percent interest, and the company's share of amortization of acquisition-related intangible assets on the Lending Transaction.

⁵Represents discrete income tax expense associated with new guidance issued in the third quarter by the Internal Revenue Service regarding federal tax reform.

⁶Represents the earnings attributable to the disposed 55 percent interest of the company's Lending Solutions business.

2017 Adjusted EPS Reconciliation for the Lending Transaction

2017 GAAP income from continuing operations	\$	1,232
Adjustments:		
Merger, integration and other costs ¹		74
Severance costs		24
Amortization of acquisition-related intangible assets		159
Tax impact of adjustments ²		(85)
Gain on sale of business ³		(10)
Tax impact of gain on sale of business ²		5
StoneRiver transactions ⁴		(32)
Tax impact of StoneRiver transactions ²		11
Tax benefit ⁵		(275)
2017 adjusted net income	<u>\$</u>	<u>1,103</u>
2017 GAAP EPS - continuing operations	\$	2.86
Adjustments		(0.30)
2017 adjusted EPS		2.56
Lending Transaction impact		(0.08)
2017 adjusted EPS, as adjusted for the Lending Transaction	<u>\$</u>	<u>2.48</u>
2018 adjusted EPS outlook		\$3.10 - \$3.15
2018 adjusted EPS growth outlook		25% - 27%

In March 2018, the company completed the Lending Transaction. In addition, the company completed a two-for-one stock split in the first quarter of 2018. Accordingly, all share and per share amounts are presented on a split-adjusted basis.

\$ in millions, except per share amounts. 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 \$47 million and certain costs associated with the achievement of the company's operational effectiveness objectives of \$27 million, including expenses related to data center consolidation activities.

²The tax impact of adjustments is calculated using a tax rate of 33 percent, which approximates the company's annual effective tax rate in 2017, exclusive of discrete income tax benefits associated with The Tax Cuts and Jobs Act and the actual tax impacts associated with StoneRiver transactions and the gain on sale of business.

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

⁴Represents the company's share of net gains on the disposition of a business at StoneRiver Group, L.P., a joint venture in which the company owns a 49 percent interest.

⁵Represents discrete income tax benefits associated with The Tax Cuts and Jobs Act enacted in December 2017.

Adjusted Net Income

	<u>3Q-18</u>	<u>3Q-17</u>	<u>YTD-18</u>	<u>YTD-17</u>
GAAP net income	\$ 227	\$ 232	\$ 901	\$ 700
Adjustments:				
Merger, integration and other costs ¹	23	23	75	52
Severance costs	3	3	15	22
Amortization of acquisition-related intangible assets	40	39	120	117
Loss on early debt extinguishment ²	8	—	8	—
Tax impact of adjustments ³	(16)	(21)	(48)	(63)
(Gain) loss on sale of businesses ⁴	2	—	(227)	(10)
Tax impact of gain/loss on sale of businesses ³	—	—	77	5
Unconsolidated affiliate activities ⁵	4	(5)	3	(31)
Tax impact of unconsolidated affiliate activities ³	(1)	2	(1)	11
Tax reform ⁶	19	—	19	—
Adjusted net income, before Lending Transaction impact	<u>309</u>	<u>273</u>	<u>942</u>	<u>803</u>
Lending Transaction impact ⁷	—	(17)	—	(34)
Taxes on Lending Transaction impact ³	—	6	—	12
Adjusted net income	<u>\$ 309</u>	<u>\$ 262</u>	<u>\$ 942</u>	<u>\$ 781</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 \$43 million in 2018 and \$30 million in 2017, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$32 million in 2018 and \$22 million in 2017, primarily consisting of expenses related to data center consolidation activities.

²Represents the loss on early debt extinguishment associated with the company's \$246 million cash tender offer on its outstanding \$450 million aggregate principal amount of 4.625% senior notes due October 2020.

³The tax impact of adjustments is calculated using tax rates of 22 percent and 33 percent in 2018 and 2017, respectively, which approximates the company's annual effective tax rate for the respective years, exclusive of federal tax reform adjustments and the actual tax impacts associated with the gain/loss on sale of businesses and unconsolidated affiliate activities.

⁴Represents the (gain) loss on the Lending Transaction in 2018 and the sale of the company's Australian item processing business in 2017.

⁵Represents the company's share of the net gains on the sales of businesses at StoneRiver Group, L.P., a joint venture in which the company owns a 49% interest, and the company's share of amortization of acquisition-related intangible assets on the Lending Transaction.

⁶Represents discrete income tax expense associated with new guidance issued in the third quarter by the Internal Revenue Service regarding federal tax reform.

⁷Represents the earnings attributable to the disposed 55 percent interest of the company's Lending Solutions business.

Free Cash Flow Conversion

	<u>YTD-18</u>	<u>YTD-17</u>
Net cash provided by operating activities	\$ 981	\$ 1,015
Capital expenditures	(263)	(208)
Adjustments:		
Severance, merger and integration payments	80	65
StoneRiver cash distributions	(1)	(44)
Tax reform payments	23	—
Other	—	(3)
Tax payments on adjustments	(7)	(6)
Free cash flow	<u>\$ 813</u>	<u>\$ 819</u>
Adjusted net income, before Lending Transaction impact ¹	<u>\$ 942</u>	<u>\$ 803</u>
Free cash flow conversion	86%	102%
GAAP net income	\$ 901	\$ 700
Ratio of net cash provided by operating activities to GAAP net income	109%	145%
Weighted average diluted shares outstanding	416.6	433.4

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

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

¹See page 14 for adjusted net income reconciliation.

Adjusted Revenue and Adjusted Operating Income

Total Company

	3Q-18	3Q-17	YTD-18	YTD-17
Revenue	\$ 1,412	\$ 1,400	\$ 4,272	\$ 4,180
Output Solutions postage reimbursements	(65)	(65)	(206)	(204)
Deferred revenue purchase accounting adjustments	—	2	3	4
Adjusted revenue	<u>\$ 1,347</u>	<u>\$ 1,337</u>	<u>\$ 4,069</u>	<u>\$ 3,980</u>
Operating income	\$ 356	\$ 370	\$ 1,322	\$ 1,107
Merger, integration and other costs	24	23	78	52
Severance costs	3	3	15	22
Amortization of acquisition-related intangible assets	40	39	120	117
(Gain) loss on sale of businesses	2	—	(227)	(10)
Adjusted operating income	<u>\$ 425</u>	<u>\$ 435</u>	<u>\$ 1,308</u>	<u>\$ 1,288</u>
Operating margin	25.2%	26.5%	31.0%	26.5%
Adjusted operating margin	31.6%	32.6%	32.2%	32.4%

\$ 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

	3Q-18	3Q-17	YTD-18	YTD-17
Revenue	\$ 844	\$ 796	\$ 2,523	\$ 2,369
Output Solutions postage reimbursements	(65)	(65)	(206)	(204)
Deferred revenue purchase accounting adjustments	—	2	3	4
Adjusted revenue	\$ 779	\$ 733	\$ 2,320	\$ 2,169
Operating income	\$ 267	\$ 253	\$ 807	\$ 750
Merger, integration and other costs	—	1	2	3
Adjusted operating income	\$ 267	\$ 254	\$ 809	\$ 753
Operating margin	31.5%	31.7%	32.0%	31.6%
Adjusted operating margin	34.2%	34.6%	34.9%	34.7%

\$ 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>3Q-18</u>	<u>3Q-17</u>	<u>YTD-18</u>	<u>YTD-17</u>
Revenue	<u>\$ 574</u>	<u>\$ 619</u>	<u>\$ 1,780</u>	<u>\$ 1,862</u>
Operating income	<u>\$ 187</u>	<u>\$ 204</u>	<u>\$ 590</u>	<u>\$ 614</u>
Operating margin	32.7%	33.1%	33.2%	33.0%

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

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

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