

## Solid Q1 2023 revenue

Q1 2023 revenue: € 1,070 million  
+9.2% organically fuelled by +12.6% in Merchant Services

## Strategic transaction with Crédit Agricole<sup>1</sup>

Objective to create a major player in the attractive French payment market

## 2023 objectives confirmed

8% to 10% organic revenue growth  
Above 100 bps OMDA margin improvement vs. 2022 pro forma  
46% to 48% OMDA conversion to FCF

Paris La Défense, 26 April 2023 – Worldline [Euronext: WLN], a global leader in payment services, today announces its revenue for the first quarter of 2023.

Gilles Grapinet, CEO of Worldline, said: “During the first quarter of the year, Worldline executed a solid start of the year with +9.2% organic growth, driven by our commercial acquiring activities benefiting from the underlying cash-to-card trend coupled with a strong operational performance materializing in commercial dynamics and market share gains. This represents another proof point of the power of the combination with Ingenico.

Continuing on the execution of its strategic roadmap, we entered into exclusive discussions with Crédit Agricole for a strategic long-term partnership combining our merchant services capabilities, with the joint ambition to create a major player able to deliver premier services to all merchants operating in France<sup>1</sup>. Crédit Agricole unique distribution network and acquiring market leaderships is a perfect fit with Worldline’s state-of-the-art products, technology and services, at scale. The combination will be a key differentiating factor for our customers and a landmark transaction for Worldline. Through this strategic partnership, we intend to invest together with Crédit Agricole into an ambitious and differentiating innovation roadmap leveraging the Worldline leading-edge global value proposition.

Structured primarily as a contribution in kind of our respective technological capabilities, commercial footprint and distribution capabilities to a joint company, this major contemplated transaction fully preserves our balance sheet and financial and strategic flexibility.

Based on this strong start of the year, the Group confirm its 2023 objectives and reaffirms its 2024 ambition as well as its strategic project to establish itself as a premium global Paytech and the leading consolidator of the European payment industry.”

<sup>1</sup> Contemplated project subject to both parties’ works council consultation and to customary regulatory approvals

## Q1 2023 revenue by Global Business Line

<i>In € million</i>	Q1 2023	Q1 2022*	<i>Organic change</i>
Merchant Services	758	673	+12.6%
Financial Services	228	223	+2.3%
Mobility & e-Transactional Services	84	84	0.0%
<b>Worldline</b>	<b>1,070</b>	<b>980</b>	<b>+9.2%</b>

\* at constant scope and exchange rates

Worldline's Q1 2023 revenue reached **€ 1,070 million**, representing a **+9.2% organic growth**. This achievement was notably reached thanks to the solid growth in Merchant Services at +12.6% organically, fueled by payment volumes both instore and online in commercial acquiring activities. Financial Services was up by +2.3%, a performance in line with anticipated full year trajectory with good commercial developments and the beginning of the ramp-up phase of new contracts. Finally, Mobility & e-Transactional Services benefited of a solid underlying growth but remained impacted, as already disclosed, by the re-insourcing of a secured mail telco operator contract end of H1 22, leading to an overall flat performance in Q1 2023.

### Merchant Services

Merchant Services' **revenue** in Q1 2023 reached **€ 758 million**, representing a solid **organic growth by +12.6%**. This solid performance was led by the steady acquiring MSV growth by +13% in Q1 2023 compared to the same period last year, reaching € 100 billion. The very good start of newly integrated Italian and Greek activities fueled by new customers onboarding and steady cash-to-card conversion also contributed. By division, the growth was mainly led by:

- *Commercial Acquiring*: Strong double-digit growth with almost all geographies and customer segments contributing with a steady growth in transaction volumes (+13%) in both instore (+11%) and online (+19%).
- *Payment Acceptance*: Single digit growth led by Global Sales & Vertical while Digital Commerce benefitted from a continuous recovery of travel related verticals (existing business and new wins) but continued to face to the impact of the stop of Russian activities this quarter.
- *Digital Services*: Mid-single digit growth with a solid performance in our key countries related to retailers' activities.

During the first quarter of the year, commercial activity in Merchant Services materialized in numerous wins for both *Commercial Acquiring* and *Payment Acceptance*, in-store and online, with among others, Correos, Turkish Airlines, flowbird, wallee, and 6Play (part of RTL Group).

## Financial Services

With Q1 2023 **revenue** reaching **€ 228 million** and a **+2.3% organic growth**, Financial Services delivered a performance in line with good commercial developments and the beginning of the ramp-up phase of new contracts. The performance by division was the following:

- *Card-based payment processing activities (Issuing Processing and Acquiring Processing* altogether: Positive growth driven by good dynamics in Benelux, France and Finland (improved transaction volumes) and the ramp-up of project activity on the ING contract.
- *Account Payments*: Solid growth with strong volumes in Germany.
- *Digital Banking*: Soft performance with a good dynamic in France (volumes increase and new business), offsetting a softer performance in the Netherlands.

Financial Services has a significant commercial pipeline of new projects and signed several contracts in Q1 such as, among others, the ones with BNP Paribas and TFBank.

## Mobility & e-Transactional Services

Revenue in Mobility & e-Transactional Services reached **€ 84 million, stable organically** as the solid underlying growth was offset by a high comparison and the effect of the re-insourcing of a secured mail telco operator contract end of H1 2022, as already disclosed. The performance by division was the following:

- *Trusted Digitization*: Steady double-digit growth driven by France (strong volumes from energy subsidies) and new projects.
- *e-Ticketing*: High-single digit growth fueled by increased volumes in transportation and ramp-up of Weca contract signed in Q4 2022.
- Finally, *e-Consumer & Mobility*: Organic decline despite the contribution of the new contract signed with SNCF (the French railway national organization) not able to offset the re-insourcing of a French telco operator contract.

Commercial activity in Mobility & e-Transactional Services was strong in Q1, in particular with the signature of a contract with SNCF (the French railway national organization) for the delivery of an omnichannel Cloud Contact Center solution to manage 11m customer phone calls per year, as well as a multiyear contract with VDV (Die Verkehrs-unternehmen) on MMS (secured ticket info) for eTickets in Germany.

## **Worldline entered into exclusive discussions with Crédit Agricole<sup>2</sup>**

Leveraging Worldline's vertical expertise and Crédit Agricole's strong distribution networks and deep French market presence, the contemplated partnership would offer a state-of-the-art combination of technological and commercial offerings at scale allowing to adequately respond to any type of evolving merchant needs.

The joint-company would be majority owned (50% of total capital plus one share) and fully consolidated by Worldline and would be in charge of leveraging Worldline's global processing power and of developing all the innovative products dedicated to the French market. The joint-company would also be in charge of the commercial development of the alliance, both directly for largest merchants in particular, and indirectly by providing an active support to the bank distribution channels.

The partnership will start with a joint € 80 million investment equally supported over 2023-2024. It will be focused on products localization and pre-launch costs. The joint company will start to generate revenue and OMDA early 2025. Total transaction costs and 2023-2024 phasing of cash investments required for the set-up of the contemplated joint company are under discussions.

### **2023 objectives confirmed**

- **Revenue organic growth:** +8% to +10%
- **OMDA margin:** Above 100 bps OMDA margin improvement vs. 2022 pro forma
- **Free cash flow:** 46% to 48% OMDA conversion rate

2023 objectives are based on unchanged macro-economic situation.

### **2024 ambition reiterated**

The Group ambitions to deliver:

- **Revenue organic growth:** +9% to +11% CAGR over the 2022-2024 period
- **OMDA margin:** above 400 basis points improvement over the 2022-2024 period, trending towards 30% of revenue by 2024
- **Free cash flow:** circa 50% OMDA conversion rate

<sup>2</sup> Contemplated project subject to both parties' works council consultation and to customary regulatory approval

## Appendices

### RECONCILIATION OF Q1 2022 STATUTORY REVENUE WITH Q1 2022 REVENUE AT CONSTANT SCOPE AND EXCHANGE RATES

For the analysis of the Group's performance, revenue for Q1 2023 is compared to Q1 2022 revenue at constant scope and exchange rates as presented below per Global Business Lines:

<i>In € million</i>	Q1 2022	Scope effect**	Exchange rates effect	Q1 2022*
Merchant Services	627	+49.9	-3.9	673
Financial Services	223	-0.1	+0.8	223
Mobility & e-Transactional Services	90	-4.9	-0.9	84
<b>Worldline</b>	<b>939</b>	<b>+44.9</b>	<b>-4.0</b>	<b>980</b>

\* at constant scope and March 2023 YTD average exchange rates

\*\* at December 2022 YTD average exchange rates

Exchanges rates effect in Q1 were mainly due to the Euro appreciation while scope effects are related to the consolidation of ANZ and Eurobank on the one side, and the disposal of Mobility & e-Transactional Services activities in Latin America as well as the impacts of the disposal of TSS on the other side.

### 2022 ESTIMATED PRO FORMA

For the analysis of the Group's organic performance, revenue and Operating Margin before Depreciation and Amortization (OMDA) in 2023 are compared with 2022 revenue and OMDA at constant scope and exchange rates. FY 2022 estimated pro forma is presented below (per Global Business Lines):

<i>In € million</i>	Estimated proforma revenue							Estimated proforma OMDA			OMDA%		
	Q1	Q2	H1	Q3	Q4	H2	2022	H1	H2	2022	H1	H2	2022
Merchant Services	673	752	1,425	810	827	1,637	3,062	340	503	842	23.8%	30.7%	27.5%
Financial Services	223	235	459	240	259	499	957	129	154	283	28.1%	30.9%	29.6%
Mobility & e-Transactional Services	84	87	171	81	88	169	340	22	24	45	12.6%	14.0%	13.3%
Corporate costs	-	-	-	-	-	-	-	-32	-29	-61	-1.6%	-1.3%	-1.4%
<b>Worldline</b>	<b>980</b>	<b>1,075</b>	<b>2,055</b>	<b>1,131</b>	<b>1,175</b>	<b>2,305</b>	<b>4,360</b>	<b>458</b>	<b>652</b>	<b>1,110</b>	<b>22.3%</b>	<b>28.3%</b>	<b>25.4%</b>

\* at constant scope and March 2023 YTD average exchange rates

Main components of the scope effects on 2022 estimated pro forma:

- ANZ added contribution of 3 months (integrated for 9 months in 2022 reported)
- Eurobank added contribution of 6 months (integrated for 6 months in 2022 reported)
- Disposal of Mobility & e-Transactional Services activities in Latin America for 11 months (excluded for 1 month in 2022 reported)
- Impacts of the disposal of TSS

## FORTHCOMING EVENTS

- June 8, 2023 Annual General Shareholders' Meeting
- July 26, 2023 H1 2023 results
- October 25, 2023 Q3 2023 revenue

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## ABOUT WORLDLINE

Worldline [Euronext: WLN] helps businesses of all shapes and sizes to accelerate their growth journey – quickly, simply, and securely. With advanced payments technology, local expertise and solutions customised for hundreds of markets and industries, Worldline powers the growth of over one million businesses around the world. Worldline generated a 4.4 billion euros revenue in 2022. [worldline.com](https://worldline.com)

Worldline's corporate purpose ("raison d'être") is to design and operate leading digital payment and transactional solutions that enable sustainable economic growth and reinforce trust and security in our societies. Worldline makes them environmentally friendly, widely accessible, and supports social transformation.

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Revenue organic growth and Operating Margin before Depreciation and Amortization (OMDA) improvement are presented at constant scope and exchange rate. OMDA is presented as defined in the 2021 Universal Registration Document. All amounts are presented in € million without decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables. 2023 objectives are expressed at constant scope and exchange rates and according to Group's accounting standards.

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