

A thick blue line starts vertically on the left, then turns horizontally to the right. It has a downward-pointing V-shaped notch in the middle of its horizontal section.

2019 First Quarter

April 23, 2019



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Forward-looking Statements

This slide presentation and comments made by management contain forward-looking statements including, among others, statements regarding the expected future operating results of TSYS. These statements are based on management's current expectations and assumptions and are subject to risks, uncertainties and changes in circumstances. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "anticipate," "intend," "plan," "potential," "estimate" or similar expressions. Actual results may differ materially from those set forth in the forward-looking statements due to a variety of factors. More information about these risks, uncertainties and factors may be found in TSYS' filings with the Securities and Exchange Commission, including its 2018 Annual Report on Form 10-K. TSYS disclaims any obligation to update any forward-looking statements as a result of new information, future developments or otherwise except as required by law.

Use of Non-GAAP Financial Measures

This slide presentation and comments made by management contain certain non-GAAP financial measures determined by methods other than in accordance with generally accepted accounting principles. Such non-GAAP financial measures include the following: net revenue, operating margin on net revenue, revenues measured on a constant currency basis, free cash flow, adjusted EBITDA and adjusted diluted earnings per share. The most comparable GAAP measures to these measures include the following: revenues, operating margin, revenues, cash flows from operating activities, net income and diluted earnings per share, respectively. Management uses these non-GAAP financial measures to assess the performance of TSYS' core business. TSYS believes that these non-GAAP financial measures provide meaningful additional information about TSYS to assist investors in evaluating TSYS' operating results. These non-GAAP financial measures should not be considered as a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. The computations of the non-GAAP financial measures used in this slide presentation and comments made by management are set forth in the Appendix to this slide presentation.



M. Troy Woods

Chairman, President & Chief Executive Officer





Paul Todd

Chief Financial Officer



Consolidated Selected Financial Highlights

(in thousands, except per share data)

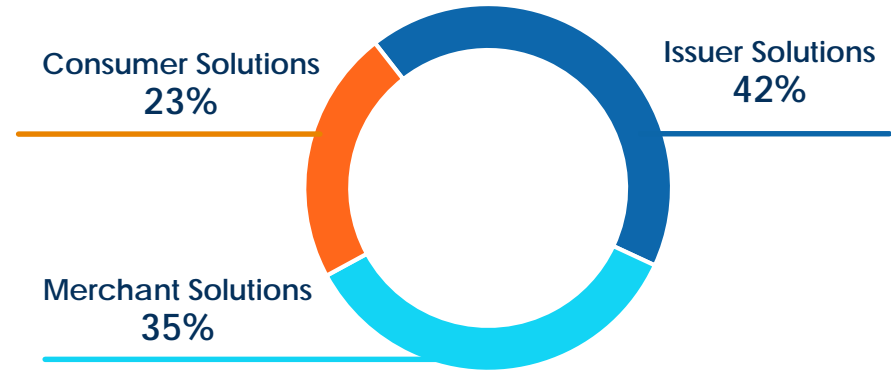
	YTD 2019	YTD 2018	Percent Change
Total Revenues	\$1,034,531	\$987,170	4.8%
Net Revenue⁽¹⁾	980,270	935,497	4.8
Adjusted EBITDA⁽¹⁾	357,287	330,922	8.0
Adjusted Diluted EPS⁽¹⁾	\$1.20	\$1.13	5.8

(1) Non-GAAP financial measure; See Appendix

Consolidated Highlights

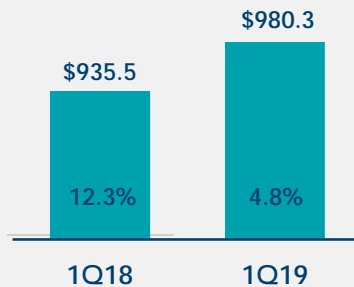
- Strong performance across all three segments
- Record net revenue and adjusted EBITDA
- Purchased 4.3 million shares for \$400.0 million

1st Quarter
Net Revenue by Segment⁽¹⁾⁽²⁾



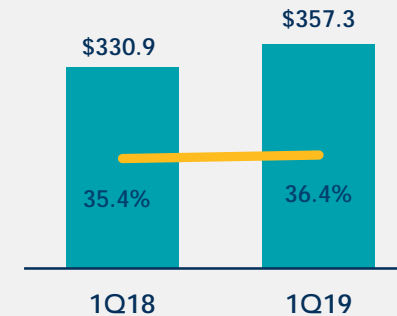
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted EBITDA⁽¹⁾
EBITDA Margin⁽³⁾

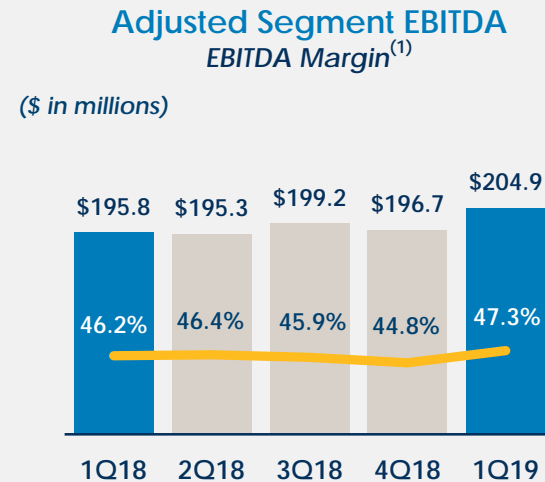
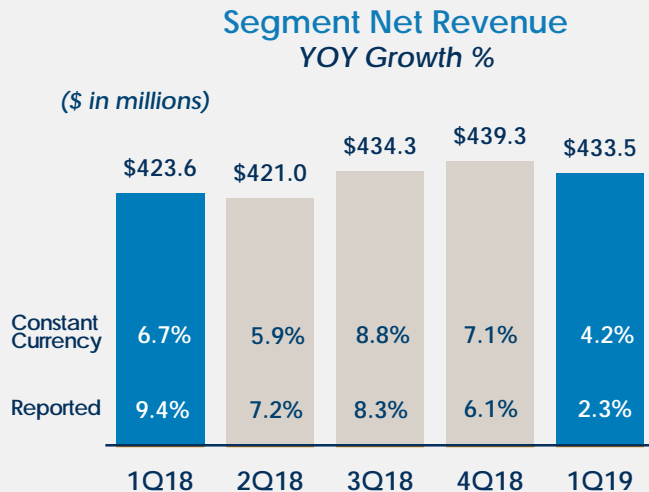
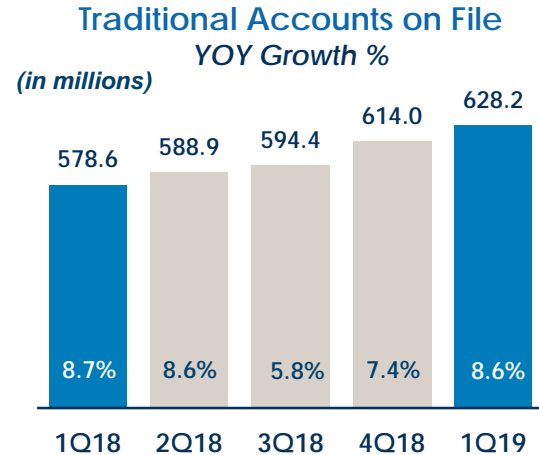
(\$ in millions)



- (1) Non-GAAP financial measure; See Appendix
- (2) External revenue
- (3) Net revenue

Issuer Solutions Segment Highlights

- Record adjusted segment EBITDA and EBITDA margin
- Record traditional AOF
- Multiple contract extensions and a solid pipeline of new business

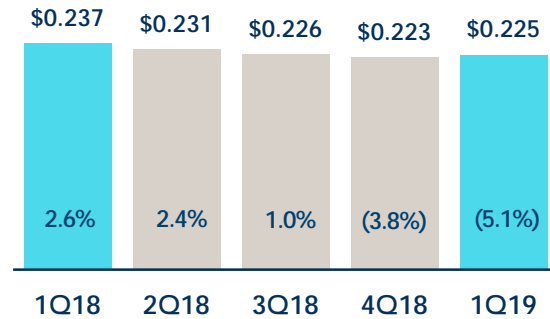


(1) Segment Net Revenue

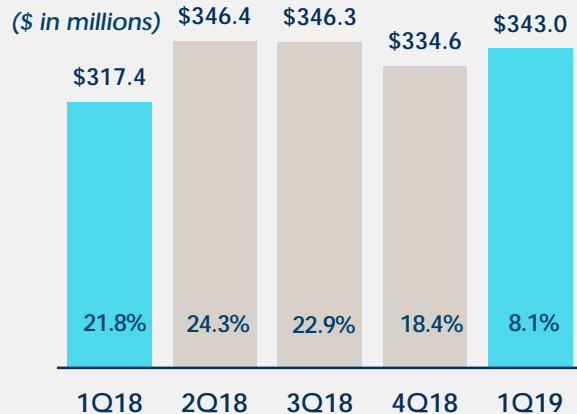
Merchant Solutions Segment Highlights

- Strong net revenue and adjusted segment EBITDA growth
- Expanded margins
- Announced partnership with T-Mobile and renewal of BB&T

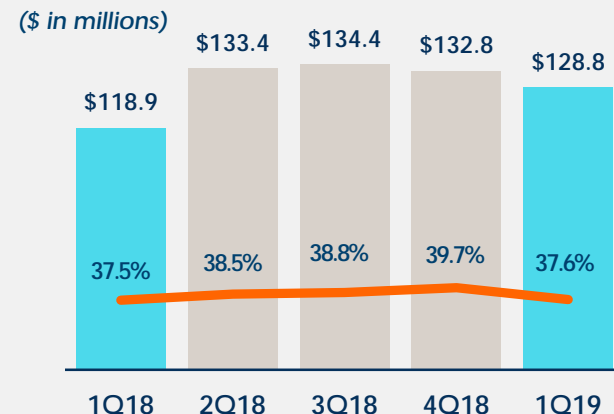
Segment Net Revenue per Transaction
YOY Growth %



Segment Net Revenue
YOY Growth %



Adjusted Segment EBITDA
EBITDA Margin⁽¹⁾

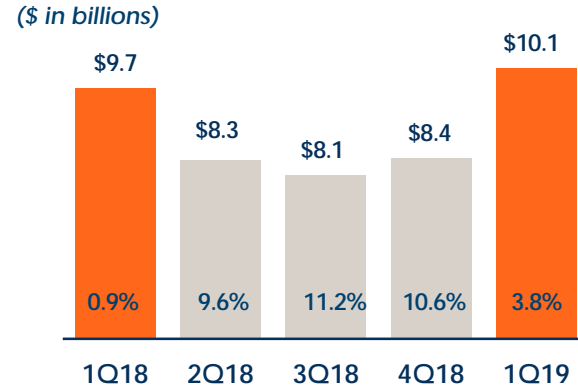


(1) Segment Net Revenue

Consumer Solutions Segment Highlights

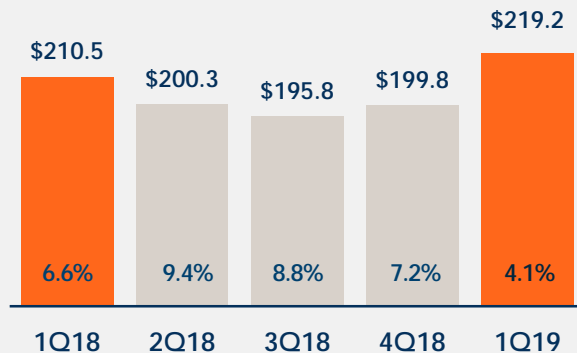
- Record net revenue and adjusted segment EBITDA
- Record gross dollar volume of over \$10 billion
- Extended Brink's, Western Union and other key distribution partners

Gross Dollar Volume
YOY Growth %



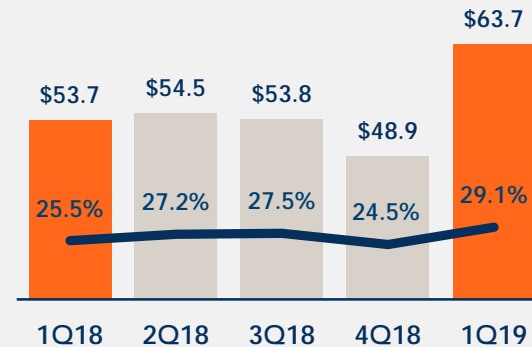
Segment Net Revenue
YOY Growth %

(\$ in millions)



Adjusted Segment EBITDA
EBITDA Margin⁽¹⁾

(\$ in millions)



(1) Segment Net Revenue

Adjusted Segment EBITDA Margin

Three Months Ended March 31, 2019

<i>(in thousands)</i>	Adjusted Segment EBITDA	Segment Net Revenue	Adjusted Segment EBITDA Margin
Issuer Solutions	\$204,934	\$433,473	47.3%
Merchant Solutions	128,836	342,956	37.6%
Consumer Solutions	63,693	219,178	29.1%
Intersegment	--	(15,337)	
Corporate administration excluding share-based compensation	(40,176)	--	
Total	\$357,287	\$980,270	36.4%

2019 Guidance*

(in millions, except per share data)

	Range	Range Percent Change
Revenue:		
Total revenues (GAAP)	\$4,190 to \$4,290	4% to 6%
Net revenue⁽¹⁾ (non-GAAP)	\$3,990 to \$4,090	5% to 7%
Earnings per share:		
Diluted EPS (GAAP)	\$3.48 to \$3.63	11% to 16%
Adjusted diluted EPS attributable to TSYS common shareholders⁽¹⁾ (non-GAAP)	\$4.75 to \$4.90	6% to 10%

(1) Non-GAAP financial measure; See Appendix

*See guidance assumptions in Appendix



Q&A

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Thank You



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Appendix

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Appendix: Accounts on File Portfolio Summary

<i>(in millions)</i>	March 2019	March 2018	% Change	March 2019	December 2018	% Change
Consumer	523.0	486.5	7.5	523.0	514.6	1.6
Commercial	60.2	55.2	8.9	60.2	57.8	4.2
Other	45.0	36.9	22.2	45.0	41.6	8.4
Traditional AOF	628.2	578.6	8.6	628.2	614.0	2.3
Prepaid*/Stored Value	11.5	38.7	(70.3)	11.5	11.8	(3.0)
Commercial Card Single Use	116.3	97.5	19.3	116.3	113.5	2.4
Government Services	--	96.5	(100.0)	--	--	na
Total AOF	<u>756.0</u>	<u>811.3</u>	<u>(6.8)</u>	<u>756.0</u>	<u>739.3</u>	<u>2.3</u>

* Prepaid does not include Consumer Solutions accounts

Net Revenue, Adjusted EBITDA and Adjusted Diluted EPS

Appendix: Non-GAAP Items

- Net revenue is defined as total revenues less reimbursable items (such as postage) that are recorded by TSYS as expense.
- Adjusted EBITDA is net income excluding equity in income of equity investments, interest expense (net of interest income), Income taxes, depreciation, amortization, client incentive/contract asset amortization, contract cost asset amortization, gains or losses on foreign currency translations, other nonoperating income or expenses, share-based compensation expenses, litigation, claims, judgments or settlements and Cayan and TransFirst merger & acquisition expenses.
- Adjusted diluted EPS is adjusted earnings divided by weighted average diluted shares outstanding used for diluted EPS calculations. Adjusted earnings is net income excluding the after-tax impact of share-based compensation expenses, amortization of acquisition intangibles, litigation, claims, judgments or settlements and TransFirst and Cayan merger & acquisition expenses.
- The Company believes that these non-GAAP financial measures it presents are useful to investors in evaluating the Company's operating performance for the following reasons:
 - adjusted EBITDA and adjusted diluted EPS are widely used by investors to measure a company's operating performance without regard to items, such as interest expense, income tax expense, depreciation and amortization, client incentive/contract asset amortization, contract cost asset amortization, merger and acquisition expenses and employee share-based compensation expense that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired; and
 - securities analysts use adjusted EBITDA and adjusted diluted EPS as supplemental measures to evaluate the overall operating performance of companies.
- By comparing the Company's adjusted EBITDA and adjusted diluted EPS in different historical periods, investors can evaluate the Company's operating results without the additional variations caused by employee share-based compensation expense, which may not be comparable from period to period due to changes in the fair market value of the Company's common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers) and is not a key measure of the Company's operations.
- The Company's management uses the non-GAAP financial measures:
 - as measures of operating performance, because they exclude the impact of items not directly resulting from the Company's core operations;
 - for planning purposes, including the preparation of the Company's annual operating budget;
 - to allocate resources to enhance the financial performance of the Company's business;
 - to evaluate the effectiveness of the Company's business strategies; and
 - in communications with the Company's board of directors concerning the Company's financial performance.

Net Revenue

Appendix: Non-GAAP Reconciliation

(in thousands)

	Three Months Ended	
	3/31/19	3/31/18
<u>Total revenues</u>	<u>\$1,034,531</u>	<u>\$987,170</u>
<u>Less: reimbursable items</u>	<u>54,261</u>	<u>51,673</u>
Net revenue	<u>\$980,270</u>	<u>\$935,497</u>

Constant Currency Total Revenues and Net Revenue

Appendix: Non-GAAP Reconciliation

(in thousands)

	Three Months Ended		Percentage Change
	3/31/19	3/31/18	
Consolidated:			
Total revenues (GAAP)	\$1,034,531	\$987,170	4.8%
Foreign currency impact ⁽¹⁾	8,270	--	
Constant currency ⁽²⁾ (non-GAAP)	<u>\$1,042,801</u>	<u>\$987,170</u>	5.6%
Net revenue (non-GAAP)			
Net revenue (non-GAAP)	\$980,270	\$935,497	4.8%
Foreign currency impact ⁽¹⁾	7,706	--	
Constant currency ⁽²⁾ (non-GAAP)	<u>\$987,976</u>	<u>\$935,497</u>	5.6%
Issuer solutions:			
Segment net revenue (GAAP)	\$433,473	\$423,574	2.3%
Foreign currency impact ⁽¹⁾	7,847	--	
Constant currency ⁽²⁾ (non-GAAP)	<u>\$441,320</u>	<u>\$423,574</u>	4.2%

(1) Reflects the impact of calculated changes in foreign currency rates from the comparable period.

(2) Reflects current period results on a non-GAAP basis as if foreign currency rates did not change from the comparable prior year period.

Adjusted EBITDA

Appendix: Non-GAAP Reconciliation

(in thousands)	Three Months Ended	
	3/31/19	3/31/18
Net income (GAAP) (a)	\$161,607	\$143,102
Adjust for:		
Less: Equity in income of equity investments	(11,227)	(10,608)
Add: Income tax expense	29,899	18,135
Add: Interest expense, net	42,769	36,652
Add: Depreciation and amortization	103,710	104,389
Add: Client incentive/contract asset amortization	8,038	6,874
Add: Contract cost asset amortization	7,845	10,726
Add: Loss on Foreign currency translations	1,138	427
Less/Add: Other nonoperating (income)/ expenses	(916)	562
Add: Share-based compensation	10,714	6,295
Add: Cayan and TransFirst M&A and integration expenses ⁽¹⁾	3,710	14,368
Adjusted EBITDA (non-GAAP) (b)	\$357,287	\$330,922
Total revenues (c)	\$1,034,531	\$987,170
Net income margin on total revenues (GAAP) (a)/(c)	15.6%	14.5%
Net revenue (d)	\$980,270	\$935,497
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	36.4%	35.4%

(1) Costs associated with the Cayan and TransFirst acquisitions and integrations are included in selling, general and administrative expenses.

Adjusted Diluted EPS

Appendix: Non-GAAP Reconciliation

(in thousands, except per share data)

	Three Months Ended	
	3/31/19	3/31/18
Net income attributable to TSYS common shareholders: (GAAP) (a)	\$161,607	\$141,841
Adjust for:		
Add: Acquisition intangible amortization	54,957	62,988
Add: Share-based compensation	10,714	6,294
Add: Cayan and TransFirst M&A and integration expenses ⁽¹⁾	3,710	14,368
Less: Tax impact of adjustments ⁽²⁾	(15,542)	(17,905)
Adjusted earnings (non-GAAP) (b)	\$215,446	\$207,586
Weighted average diluted shares outstanding (c)	179,886	183,298
Diluted EPS – Net income attributable to TSYS common shareholders (GAAP) (a) / (c)	\$0.90	\$0.77
Adjusted diluted EPS- Net income attributable to TSYS common shareholders (non-GAAP) (b) / (c)	\$1.20	\$1.13

(1) Costs associated with the Cayan and TransFirst acquisition and integration that are both included in selling, general and administrative expenses and nonoperating expenses.

(2) Certain of these merger and acquisition costs are nondeductible for income tax purposes.

2019 Guidance*

(in millions, except per share data)

	Range			Range Percent Change		
Total revenues (GAAP)	\$4,190	to	\$4,290	4%	to	6%
Less: reimbursable items	200	to	200			
Net revenue (non-GAAP)	\$3,990	to	\$4,090	5%	to	7%
Diluted EPS (GAAP)	\$3.48	to	\$3.63	11%	to	16%
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and the Cayan and TransFirst M&A and integration expenses, less the tax impact of adjustments	1.27	to	1.27			
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$4.75	To	\$4.90	6%	to	10%

(*) See guidance assumptions

Appendix: 2019 Guidance Assumptions

The guidance assumes:

- There will be no significant movements in the London Interbank Offered Rate;
- There will be no additional significant movement in foreign currency exchange rates related to TSYS' business;
- TSYS will not incur significant expenses associated with the conversion of new unplanned large clients, additional acquisitions, or any significant impairment of goodwill or other intangibles;
- There will be no deconversions of large clients during the year;
- There are no significant changes to our expectations regarding the impact of the Tax Cuts and Jobs Act; and
- The economy will not worsen.