



# EURONET WORLDWIDE

## Financial Results Third Quarter 2016

### PRESENTERS:

**MICHAEL J. BROWN**, CHAIRMAN, CEO & PRESIDENT

**RICK L. WELLER**, EVP & CFO

**JEFFREY B. NEWMAN**, EVP & GENERAL COUNSEL

**KEVIN J. CAPONECCHI**, EVP & CEO, EPAY EFT ASIA PAC AND SOFTWARE

# Forward Looking Statements

Statements contained in this presentation that concern Euronet's or its management's intentions, expectations, or predictions of future performance, are forward-looking statements. Euronet's actual results may vary materially from those anticipated in such forward-looking statements as a result of a number of factors, including but not limited to: conditions in world financial markets and general economic conditions, including the effects in Europe of the recent Brexit vote and economic conditions in specific countries or regions; technological developments affecting the market for the Company's products and services; foreign currency exchange rate fluctuations; the effects of any breaches in the security of our computer systems or those of our customers or vendors; the Company's ability to renew existing contracts at profitable rates; changes in fees payable for transactions performed for cards bearing international logos or over switching networks such as card transactions on ATMs; changes in the Company's relationship with, or in fees charged by, the Company's business partners; competition; the outcome of claims and other loss contingencies affecting the Company; and changes in laws and regulations affecting the Company's business, including immigration laws. These risks and other risks are described in the Company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of these filings may be obtained via the SEC's Edgar website or by contacting the Company or the SEC. Any forward-looking statements made in this presentation speak only as of the date of this presentation. Except as required by law, Euronet does not intend to update these forward-looking statements and undertakes no duty to any person to provide any such update under any circumstances. The Company regularly posts important information to the investor relations section of its website.

# Defined Terms

Unless specifically noted otherwise within this presentation, the following terms are hereby defined as follows:

Constant currency measures are computed as if foreign currency exchange rates did not change from the prior period. This information is provided to illustrate the impact of changes in foreign currency exchange rates on the Company's results when compared to the prior period.

Adjusted EBITDA is defined as net income excluding interest, income tax expense, depreciation, amortization, share-based compensation expenses and other non-operating or non-recurring items that are considered expenses or income under U.S. GAAP. Adjusted EBITDA represents a performance measure and is not intended to represent a liquidity measure.

Adjusted earnings per share (Adjusted EPS) is defined as diluted U.S. GAAP earnings per share excluding, to the extent incurred in the period, the tax-effected impacts of: a) foreign currency exchange gains or losses, b) goodwill impairment charges, c) gains or losses from the early retirement of debt, d) share-based compensation, e) acquired intangible asset amortization, f) non-cash interest expense, g) non-cash income tax expense, and h) other non-operating or non-recurring items. Adjusted earnings per share represents a performance measure and is not intended to represent a liquidity measure.

The reconciliation of non-GAAP items is included in the attached supplemental data.

The Company does not provide a reconciliation of its forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for GAAP and the related GAAP to non-GAAP reconciliation, including adjustments that could be made for currency exchange rate fluctuations and other charges reflected in the Company's reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.



# FINANCIAL HIGHLIGHTS

## THIRD QUARTER 2016

Rick L. Weller

Executive Vice President & CFO



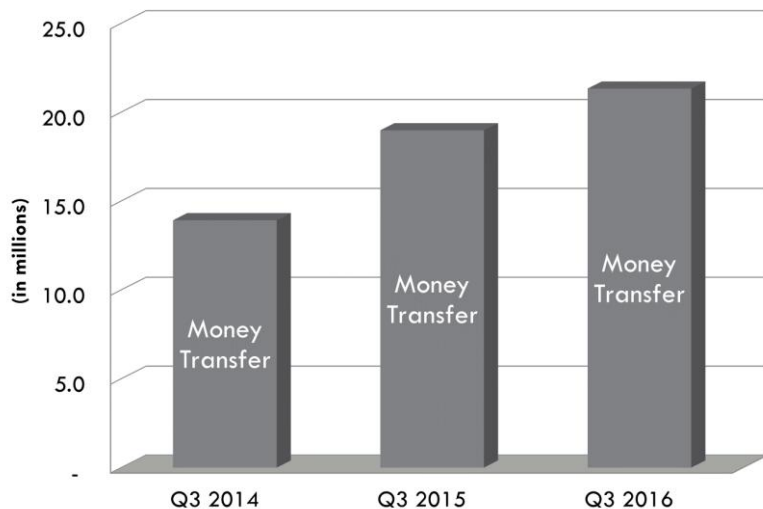
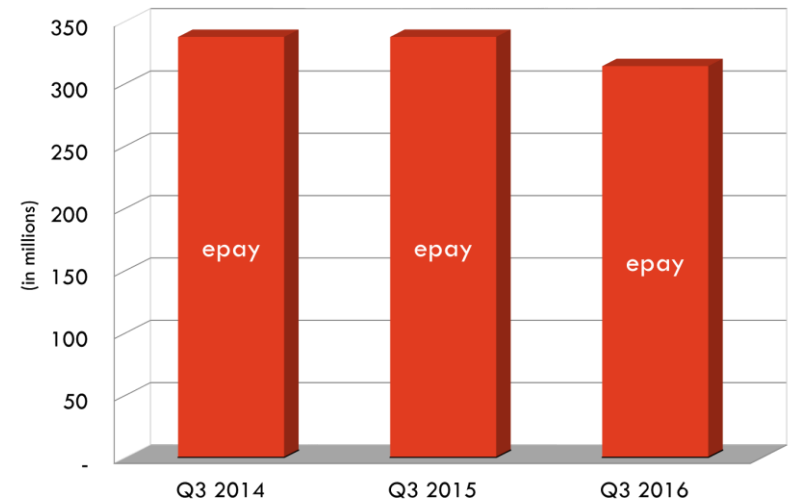
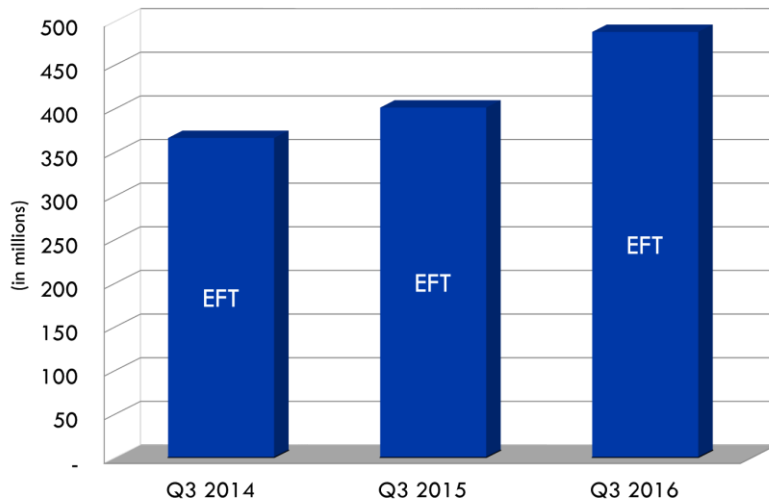
# Q3 2016 Financial Report

## Quarterly Financial Highlights

- Revenue - \$524.0 million
  - 9% increase from \$481.4 million for Q3 2015
  - 9% increase on a constant currency basis
- Operating income - \$90.5 million
  - 29% increase from \$70.3 million for Q3 2015
  - 27% increase on a constant currency basis
- Adjusted EBITDA - \$114.1 million
  - 25% increase from \$91.2 million for Q3 2015
  - 24% increase on a constant currency basis
- Adjusted EPS - \$1.35
  - 30% increase from \$1.04 for Q3 2015

# Q3 2016 Financial Report

## Three Year Transaction Trend



- EFT Transactions grew 22%
  - Growth in Europe and India, partially offset by declines in China
- epay declined 7%
  - Largest declines in India, North America, Brazil, New Zealand, France, Middle East and the U.K., partially offset by growth in Poland, Germany, Australia, Italy and Turkey
- Money transfer transactions grew 12%
  - Increases from organic growth, including Walmart-2-Walmart

# Q3 2016 Business Segment Results

## Same Quarter Prior Year Comparison

USD (in millions)	Revenue		Operating Income (Expense)		Adjusted EBITDA	
	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016
<b>EFT Processing</b>	\$ 118.9	\$ <b>152.6</b>	\$ 40.3	\$ <b>59.4</b>	\$ 48.4	\$ <b>69.6</b>
<i>% Change</i>		<b>28%</b>		<b>47%</b>		<b>44%</b>
<b>epay</b>	174.6	<b>167.2</b>	14.7	<b>14.8</b>	17.4	<b>17.5</b>
<i>% Change</i>		<b>-4%</b>		<b>1%</b>		<b>1%</b>
<b>Money Transfer</b>	188.2	<b>204.6</b>	23.7	<b>25.2</b>	30.7	<b>32.4</b>
<i>% Change</i>		<b>9%</b>		<b>6%</b>		<b>6%</b>
<b>Subtotal</b>	481.7	<b>524.4</b>	78.7	<b>99.4</b>	96.5	<b>119.5</b>
<i>% Change</i>		<b>9%</b>		<b>26%</b>		<b>24%</b>
<b>Corporate, Eliminations &amp; Other</b>	(0.3)	<b>(0.4)</b>	(8.4)	<b>(8.9)</b>	(5.3)	<b>(5.4)</b>
<b>Consolidated Total</b>	\$ 481.4	\$ <b>524.0</b>	\$ 70.3	\$ <b>90.5</b>	\$ 91.2	\$ <b>114.1</b>
<i>% Change</i>		<b>9%</b>		<b>29%</b>		<b>25%</b>

# Q3 2016 Business Segment Results

Same Quarter Prior Year Comparison – Constant Currency\*

USD (in millions)	Revenue		Operating Income (Expense)		Adjusted EBITDA	
	Q3 2015	Q3 2016*	Q3 2015	Q3 2016*	Q3 2015	Q3 2016*
<b>EFT Processing</b>	\$ 118.9	\$ 153.2	\$ 40.3	\$ 59.2	\$ 48.4	\$ 69.5
<i>% Change</i>		29%		47%		44%
<b>epay</b>	174.6	168.6	14.7	14.7	17.4	17.4
<i>% Change</i>		-3%		0%		0%
<b>Money Transfer</b>	188.2	205.6	23.7	24.6	30.7	32.0
<i>% Change</i>		9%		4%		4%
<b>Subtotal</b>	481.7	527.4	78.7	98.5	96.5	118.9
<i>% Change</i>		9%		25%		23%
<b>Corporate, Eliminations &amp; Other</b>	(0.3)	(0.4)	(8.4)	(9.0)	(5.3)	(5.5)
<b>Consolidated Total</b>	\$ 481.4	\$ 527.0	\$ 70.3	\$ 89.5	\$ 91.2	\$ 113.4
<i>% Change</i>		9%		27%		24%



# Q3 2016 Financial Report

## Balance Sheet Overview

USD (in millions)	6/30/2016	9/30/2016
<b>Unrestricted Cash</b>	\$ 680.1	\$ <b>661.3</b>
<b>Total Assets</b>	2,420.5	<b>2,437.5</b>
<b>Total Debt</b>	623.9	<b>537.9</b>
<b>Total Debt to Trailing Twelve Month Adjusted EBITDA Multiple</b>	2.0x	<b>1.6x</b>
<b>Net Debt to Trailing Twelve Month Adjusted EBITDA Multiple</b>	NM	<b>NM</b>

\*NM - Not Meaningful



# BUSINESS OVERVIEW

## THIRD QUARTER 2016

Michael J. Brown  
Chairman, CEO & President

# EFT SEGMENT

# EFT Segment Highlights

## Q3 2016 Financial Highlights

- Revenue - \$152.6 million
  - 28% increase from \$118.9 million for Q3 2015
  - 29% increase on a constant currency basis
- Operating income - \$59.4 million
  - 47% increase from \$40.3 million for Q3 2015
  - 47% increase on a constant currency basis
- Adjusted EBITDA - \$69.6 million
  - 44% increase from \$48.4 million for Q3 2015
  - 44% increase on a constant currency basis
- Transactions – 488 million
  - 22% increase from 401 million for Q3 2015



# EFT Business Highlights

## Q3 2016 Growth Drivers

- **New Agreements (e.g. for ATM, IAD, Outsourcing Services, etc.):**
  - **Launched:**
    - Deposit network participation agreement with BPH Bank in Poland
    - ATM processing and card management agreement with UCO Bank in India
  - **Signed:**
    - ATM driving and card management agreement with Faysal Bank in Pakistan
    - Multi-currency prepaid travel card hosting agreement with Thomas Cook in India
    - Gateway services agreement with Happay, a business expense management company, in India
    - Web services software agreement with Cayman National Bank in the Cayman Islands and De Surinaamsche Bank in Suriname
    - Discover ATM acquiring with Aruba Bank in Aruba
    - POS Software solutions with Stichting Surinaamse Volkscredietbank in Suriname
- **Renewals & Extensions:**
  - **Renewals:**
    - ATM and POS acquiring and card issuing agreements with Credite Agricole and Leumi Banks in Romania
  - **Extensions:**
    - Visa EMV ATM acquiring agreement with MCB in Pakistan

# EFT Business Highlights

## Q3 2016 Growth Drivers

- **Value Added Services:**

- ATM advertising agreement with Union Pay International, the first pan-European advertising agreement
- Value added services agreements with Punjab National Bank and South Indian Bank in India
- Value added services agreement with Bank of Ceylon in Sri Lanka
- POS merchant acquiring and DCC with Duty Free Shops Mall in Venice, Italy and Dukes Hotel in London
- Enabled contactless technology on ATMs in Poland and Ukraine
- Mobile top-up and processing for Raiffeisen online banking customers in Romania
- AMEX card acceptance on IAD in Denmark and China Union Pay cards on IAD in Austria
- Enabled Pure Payment at the Marriott, Conrad and Capella Hotels in Singapore

- **ATM Deployment:**

<u>Sequential Additions</u>		<u>Year-to-Date Additions</u>	
ATMs at Beginning of Quarter	25,912	ATMs at Beginning of Year	21,360
Low-margin India ATMs	2,740	Low-margin India ATMs	5,350
Traditional High-value ATMs	723	Traditional High-value ATMs	2,048
Winterized High-value ATMs	(99)	Outsourcing ATMs Terminated	(249)
ATMs at End of Quarter	<u>29,276</u>	Re-activated Winterized High-value ATMs	770
		ATMs at End of Quarter	<u>29,276</u>

- **October Acquisition of U.K.-based ATM Operator, YourCash Europe Limited**

- Adds 5,000 ATMs in key European markets including the U.K., Netherlands, Belgium and Ireland
- YourCash brings strong relationships with leading retailers and merchant cash fill expertise
- YourCash will benefit from Euronet's leading ATM processing technology, leading value added product portfolio and strong capital structure

# epay SEGMENT



# epay Segment Highlights

## Q3 2016 Financial Highlights

- Revenue - \$167.2 million
  - 4% decrease from \$174.6 million for Q3 2015
  - 3% decrease on a constant currency basis
- Operating income - \$14.8 million
  - 1% increase from \$14.7 million for Q3 2015
  - Consistent on a constant currency basis
- Adjusted EBITDA - \$17.5 million
  - 1% increase from \$17.4 million for Q3 2015
  - Consistent on a constant currency basis
- Transactions – 314 million
  - 7% decrease from 337 million for Q3 2015



# epay Business Highlights

## Q3 2016 Growth Drivers

- Launched:
  - Germany: Doubled gift card mall capacity in REWE supermarkets
  - Germany: Hardware and Music bundling at MediaSaturn
  - Germany: Digital kiosk at Shell petrol stations
  - Austria: Gift card mall at 390 dm drugstore locations
  - Switzerland: Mini-gift card mall in Migros supermarkets
  - Australia: MS Office distribution in 800 Woolworth's Supermarkets
  - Australia: Paysafecard distribution in 800 Coles Supermarkets
  - United Kingdom: Apple Music distribution in PayPal, Argos hypermarket stores, and John Lewis department stores
  - United States: iTunes and Xbox distribution with CashStar, epay's first B2B client in the US
  - United States: Apple Music distribution in the digital channel in PayPal and eBay
- Signed:
  - Europe: Digital distribution of Blizzard, publisher of games such as World of WarCraft
  - US & Europe: Digital distribution of Netflix
  - India: Digital distribution of Google Play
  - Germany: 1&1 United Internet (leading Internet & Mobile provider) for iPad/Energy promotion
  - Australia: Renewal of Microsoft distribution agreement, including Office, Windows and Xbox
  - New Zealand: Exclusive supplier of AMEX B2B gift card orders
  - United States: Signed exclusive agreement with ROK Mobile (MVNO) for activations
  - United States: Comcast prepaid broadband and cable program for the Sprint dealer channel

# MONEY TRANSFER SEGMENT



# Money Transfer Segment Highlights

## Q3 2016 Financial Highlights

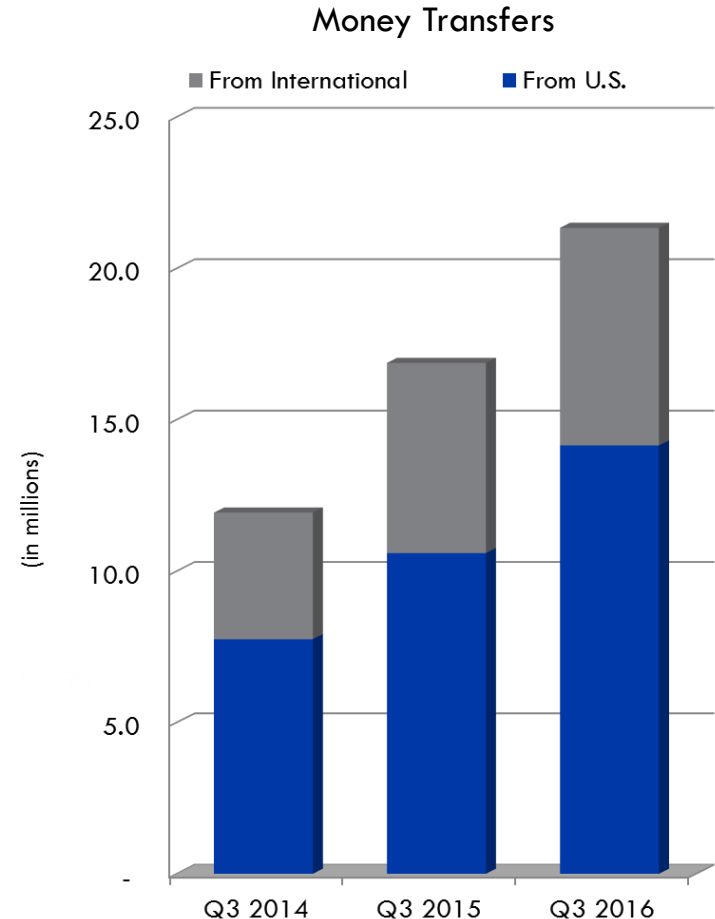
- Revenue - \$204.6 million
  - 9% increase from \$188.2 million for Q3 2015
  - 9% increase on a constant currency basis
- Operating income - \$25.2 million
  - 6% increase from \$23.7 million for Q3 2015
  - 4% increase on a constant currency basis
- Adjusted EBITDA - \$32.4 million
  - 6% increase from \$30.7 million for Q3 2015
  - 4% increase on a constant currency basis
- Transactions – 21.3 million
  - 12% increase from 19.0 million for Q3 2015

# Money Transfer Business Highlights

## Q3 2016 Growth Drivers

### Growth in Send & Payout Network, Correspondents and Locations

- Our network reaches:
  - 144 countries
  - 314,000 total network locations, a 9% increase vs. Q3 2015
- Correspondent Expansion:
  - Launched 12 new correspondents in 11 countries
    - India
      - Payout service at over 960 Muthoottu Mini Financiers Ltd. Locations
    - Pakistan
      - Payout service in Bankislami Pakistan Limited, with over 300 locations
  - Signed 17 new correspondents agreements spanning 14 countries
    - United Arab Emirates
      - Send and receive agreement with Al Ansari Exchange LLC with over 160 locations
    - Philippines
      - Send and receive agreement with Eight Under Par with over 1,600 locations
- Other Business:
  - XE Achieved 50 millionth app download



# Summary & Outlook

- Q3 2016 Adjusted EPS of \$1.35, a 30% increase over Q3 2015, which exceeded our expectations
- EFT delivered another exceptional quarter of double-digit earnings and ATM network expansion
- epay benefitted from continued sales of non-mobile content which largely offset mobile declines
- Money Transfer results reflect strong organic growth and investments in Asia and the digital platforms ahead of the XE migration in November
- Our balance sheet remains strong with good cash flow generation
- Q4 2016 Adjusted EPS is expected to be approximately \$1.07, assuming consistent foreign currency exchange rates

# Supplemental Data

In addition to the results presented in accordance with U.S. GAAP, the Company presents non-GAAP financial measures, such as constant currency, adjusted EBITDA and adjusted earnings per share. These measures should be used in addition to, and not a substitute for, revenues, net income, operating income and earnings per share computed in accordance with U.S. GAAP. We believe that these non-GAAP measures provide useful information to investors regarding the Company's performance and overall results of operations. These non-GAAP measures are also an integral part of the Company's internal reporting and performance assessment for executives and senior management. The non-GAAP measures used by the Company may not be comparable to similarly titled non-GAAP measures used by other companies. The attached schedules provide a full reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measure.

# Supplemental Data

## EURONET WORLDWIDE, INC.

### Reconciliation of Net Income to Operating Income (Expense) and Adjusted EBITDA (unaudited - in millions)

	Three months ended September 30, 2016				
	EFT Processing	epay	Money Transfer	Corporate Services	Consolidated
Net income					\$ 60.7
Add: Income tax expense					20.8
Add: Total other expense, net					9.0
Operating income (expense)	\$ 59.4	\$ 14.8	\$ 25.2	\$ (8.9)	90.5
Add: Depreciation and amortization	10.2	2.7	7.2	-	20.1
Add: Share-based compensation	-	-	-	3.5	3.5
Earnings (expense) before interest, taxes, depreciation, amortization, share-based compensation and other non-operating and non-recurring items					
(Adjusted EBITDA) (1)	\$ 69.6	\$ 17.5	\$ 32.4	\$ (5.4)	\$ 114.1

(1) Adjusted EBITDA is a non-GAAP measure that should be considered in addition to and not a substitute for, net income computed in accordance with U.S. GAAP.

# Supplemental Data

## EURONET WORLDWIDE, INC.

### Reconciliation of Net Income to Operating Income (Expense) and Adjusted EBITDA

(unaudited - in millions)

Three months ended September 30, 2015

	EFT Processing	Money epay	Money Transfer	Corporate Services	Consolidated
Net income					\$ 31.3
Add: Income tax expense					16.7
Add: Total other expense, net					22.3
Operating income (expense)	\$ 40.3	\$ 14.7	\$ 23.7	\$ (8.4)	\$ 70.3
Add: Depreciation and amortization	8.1	2.7	7.0	0.2	18.0
Add: Share-based compensation	-	-	-	2.9	2.9
Earnings (expense) before interest, taxes, depreciation, amortization, share-based compensation and other non-operating and non-recurring items					
(Adjusted EBITDA) (1)	\$ 48.4	\$ 17.4	\$ 30.7	\$ (5.3)	\$ 91.2

(1) Adjusted EBITDA is a non-GAAP measure that should be considered in addition to and not a substitute for, net income computed in accordance with U.S. GAAP.



# Supplemental Data

## EURONET WORLDWIDE, INC.

### Reconciliation of Revenue, Operating Income (Expense) and Adjusted EBITDA to Constant Currency Amounts by Segment (unaudited - in millions)

	Three months ended ended September 30, 2016				
	EFT Processing	epay	Money Transfer	Corporate Services	Consolidated
Revenue	\$ 152.6	\$ 167.2	\$ 204.6	\$ (0.4)	\$ 524.0
Add: Estimated foreign currency impact *	0.6	1.4	1.0	-	3.0
Revenue - Constant Currency	<u>\$ 153.2</u>	<u>\$ 168.6</u>	<u>\$ 205.6</u>	<u>\$ (0.4)</u>	<u>\$ 527.0</u>
Operating income (expense)	\$ 59.4	\$ 14.8	\$ 25.2	\$ (8.9)	\$ 90.5
Add: Estimated foreign currency impact *	(0.2)	(0.1)	(0.6)	(0.1)	(1.0)
Operating income (expense) - Constant Currency	<u>\$ 59.2</u>	<u>\$ 14.7</u>	<u>\$ 24.6</u>	<u>\$ (9.0)</u>	<u>\$ 89.5</u>
Adjusted EBITDA (reconciled on previous schedule)	\$ 69.6	\$ 17.5	\$ 32.4	\$ (5.4)	\$ 114.1
Add: Estimated foreign currency impact *	(0.1)	(0.1)	(0.4)	(0.1)	(0.7)
Adjusted EBITDA - Constant Currency	<u>\$ 69.5</u>	<u>\$ 17.4</u>	<u>\$ 32.0</u>	<u>\$ (5.5)</u>	<u>\$ 113.4</u>

# Supplemental Data

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Adjusted Earnings per Share**  
**(unaudited - in millions, except share and per share data)**

	<b>Three Months Ended</b>	
	<b>September 30,</b>	
	<b>2016</b>	<b>2015</b>
Net income attributable to Euronet Worldwide, Inc.	\$ 60.7	\$ 31.3
Foreign currency exchange loss	1.5	16.0
Intangible asset amortization	6.2	6.3
Share-based compensation	3.5	2.9
Income tax effect of above adjustments	(0.6)	(1.4)
Non-cash interest accretion	2.6	2.5
Non-cash GAAP tax benefit	-	(0.4)
Adjusted earnings (1)	\$ 73.9	\$ 57.2
Adjusted earnings per share - diluted (1)	\$ 1.35	\$ 1.04
Diluted weighted average shares outstanding (GAAP)	54,523,211	54,544,763
Effect of unrecognized share-based compensation on diluted shares outstanding	296,071	279,563
Adjusted diluted weighted average shares outstanding	54,819,282	54,824,326

(1) Adjusted earnings and adjusted earnings per share are non-GAAP measures that should be considered in addition to, and not as a substitute for, net income and earnings per share computed in accordance with U.S. GAAP.