

Fourth Quarter and Full Year 2016 Financial Results Conference Call

February 8, 2017

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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 growth,” “free cash flow per share” and “adjusted operating margin.” 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 market and economic conditions on the financial services industry; 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; the impact of the company’s strategic initiatives; 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, 2015 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,” “free cash flow” and “free cash flow per share.” 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.

4Q-16 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
4Q-16	\$1,354	\$1,329	\$1.16
4Q-15	\$1,284	\$1,282	\$1.00
Change	5%	4%	16%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

2016 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
2016	\$5,211	\$5,122	\$4.43
2015	\$4,945	\$4,937	\$3.87
Change	5%	4%	14%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

2016 Other Financial Metrics

	Free Cash Flow Per Share	Adjusted Operating Margin
2016	\$4.84	32.2%
2015	\$4.23	31.7%
Change	14%	50 bps

See appendix for information regarding non-GAAP measures.

Internal Revenue Growth by Segment

Segment	4Q-16	2016
Payments	6%	6%
Financial	2%	2%
Total Company	4%	4%

See appendix for information regarding non-GAAP measures.

4Q-16 Adjusted Operating Margin by Segment

Segment	4Q-16	4Q-15	Change
Payments	33.1%	33.6%	(50 bps)
Financial	33.7%	31.0%	270 bps
Total Company	32.1%	30.7%	140 bps

See appendix for information regarding non-GAAP measures.

2016 Adjusted Operating Margin by Segment

Segment	2016	2015	Change
Payments	33.8%	33.0%	80 bps
Financial	33.2%	33.8%	(60 bps)
Total Company	32.2%	31.7%	50 bps

See appendix for information regarding non-GAAP measures.

2017 Performance Outlook

Key Financial Metrics	Growth
Internal Revenue	4 - 5%
Adjusted EPS	14 - 17%

Other Financial Metrics	Target
Free Cash Flow Per Share	> \$5.45
Adjusted Operating Margin Expansion	> 50 bps

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.

In the fourth quarter of 2016, acquired revenue was \$25 million (all in the Payments segment), and revenue in the comparable prior year period attributable to dispositions was \$2 million (all in the Financial segment). Full year 2016 acquired revenue was \$89 million (all in the Payments segment), and revenue in the comparable prior year period attributable to dispositions was \$8 million (all in the Financial segment).

See page 2 for disclosures related to non-GAAP financial measures.

Adjusted EPS

	<u>4Q-16</u>	<u>4Q-15</u>	<u>2016</u>	<u>2015</u>
GAAP EPS	\$ 0.98	\$ 0.81	\$ 4.15	\$ 2.99
Adjustments – net of income taxes:				
Merger, integration and other costs ¹	0.05	0.02	0.17	0.10
Severance costs	0.01	0.03	0.04	0.06
Amortization of acquisition-related intangible assets	0.12	0.13	0.46	0.53
Debt extinguishment and refinancing costs	—	—	—	0.25
StoneRiver and other investment activity ²	—	0.01	(0.39)	(0.07)
Adjusted EPS	<u>\$ 1.16</u>	<u>\$ 1.00</u>	<u>\$ 4.43</u>	<u>\$ 3.87</u>

Earnings per share is calculated using actual, unrounded amounts.

See page 2 for disclosures related to non-GAAP financial measures.

¹Merger, integration and other costs include acquisition and related integration costs of \$36 million in 2016, including a \$10 million non-cash impairment charge during the first quarter associated with the decision to replace an existing software solution with software purchased in a business acquisition; certain costs associated with the achievement of the company's operational effectiveness objectives, including expenses related to data center and real estate consolidation activities; and a non-cash expense in 2015 related to the modification of certain employee equity award agreements.

²Represents the company's share of net (gains) losses on the sales of a business interest and a subsidiary business at StoneRiver Group L.P., a joint venture in which the company owns a 49% interest, as well as a non-cash write-off of a \$7 million investment in the first quarter of 2016.

Free Cash Flow Per Share

	<u>2016</u>	<u>2015</u>
Net cash provided by operating activities	\$ 1,431	\$ 1,346
Capital expenditures ¹	(290)	(359)
Other adjustments ^{1, 2}	(57)	19
Free cash flow	<u>\$ 1,084</u>	<u>\$ 1,006</u>
Diluted shares	<u>223.9</u>	<u>238.0</u>
Free cash flow per share	<u>\$ 4.84</u>	<u>\$ 4.23</u>

In millions, except per share amounts. Free cash flow per share is calculated using actual, unrounded amounts.

See page 2 for disclosures related to non-GAAP financial measures.

¹2015 includes \$70 million of capital expenditures, primarily leasehold improvements and furniture and equipment related to the company's Atlanta facility consolidation, of which \$25 million is offset by landlord reimbursements reported in net cash provided by operating activities, and \$45 million of non-reimbursable building expenditures is included in "other adjustments."

²Free cash flow excludes tax-effected severance, merger and integration payments; certain cash distributions from StoneRiver; cash tax benefits on early debt extinguishment; and other items which management believes may not be indicative of the future free cash flow of the company. "Other adjustments" removes cash distributions, net of related tax payments, from StoneRiver of \$99 million and \$20 million in 2016 and 2015, respectively.

Adjusted Revenue and Adjusted Operating Income

Total Company

	<u>4Q-16</u>	<u>4Q-15</u>	<u>2016</u>	<u>2015</u>
Revenue	\$ 1,431	\$ 1,368	\$ 5,505	\$ 5,254
Output Solutions postage reimbursements	(79)	(85)	(300)	(313)
Deferred revenue purchase accounting adjustments	2	1	6	4
Adjusted revenue	<u>\$ 1,354</u>	<u>\$ 1,284</u>	<u>\$ 5,211</u>	<u>\$ 4,945</u>
Operating income	\$ 375	\$ 329	\$ 1,445	\$ 1,311
Merger, integration and other costs	17	9	58	37
Severance costs	4	11	15	24
Amortization of acquisition-related intangible assets	39	45	158	194
Adjusted operating income	<u>\$ 435</u>	<u>\$ 394</u>	<u>\$ 1,676</u>	<u>\$ 1,566</u>
Operating margin	26.1%	24.0%	26.2%	24.9%
Adjusted operating margin	32.1%	30.7%	32.2%	31.7%

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

See page 2 for disclosures related to non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Payments Segment

	4Q-16	4Q-15	2016	2015
Revenue	\$ 806	\$ 751	\$ 3,090	\$ 2,862
Output Solutions postage reimbursements	(79)	(85)	(300)	(313)
Deferred revenue purchase accounting adjustments	1	—	3	—
Adjusted revenue	<u>\$ 728</u>	<u>\$ 666</u>	<u>\$ 2,793</u>	<u>\$ 2,549</u>
Operating income	\$ 240	\$ 224	\$ 943	\$ 840
Merger, integration and other costs	1	—	3	—
Adjusted operating income	<u>\$ 241</u>	<u>\$ 224</u>	<u>\$ 946</u>	<u>\$ 840</u>
Operating margin	29.8%	29.8%	30.5%	29.3%
Adjusted operating margin	33.1%	33.6%	33.8%	33.0%

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

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Adjusted Revenue and Adjusted Operating Income by Segment

Financial Segment

	4Q-16	4Q-15	2016	2015
Revenue	\$ 643	\$ 630	\$ 2,477	\$ 2,443
Deferred revenue purchase accounting adjustments	1	1	3	4
Adjusted revenue	<u>\$ 644</u>	<u>\$ 631</u>	<u>\$ 2,480</u>	<u>\$ 2,447</u>
Operating income	<u>\$ 217</u>	<u>\$ 195</u>	<u>\$ 823</u>	<u>\$ 826</u>
Operating margin	33.7%	31.0%	33.2%	33.8%
Adjusted operating margin	33.7%	31.0%	33.2%	33.8%

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

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