

2017 SECOND QUARTER

July 25, 2017



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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 2016 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 and Chief Executive Officer





Paul Todd

Chief Financial Officer



CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

QTD 2017	QTD 2016	Percent Change		YTD 2017	YTD 2016	Percent Change
\$1,222,375	\$1,151,587	6.1%	Total Revenues	\$2,407,100	\$1,890,965	27.3%
844,068	794,937	6.2	Net Revenue ⁽¹⁾	1,676,960	1,466,581	14.3
307,698	274,032	12.3	Adjusted EBITDA ⁽¹⁾	594,935	504,862	17.8
\$0.85	\$0.73	16.4	Adjusted Diluted EPS ⁽¹⁾	\$1.68	\$1.39	20.7

(1) Non-GAAP financial measure; See Appendix

CONSOLIDATED HIGHLIGHTS

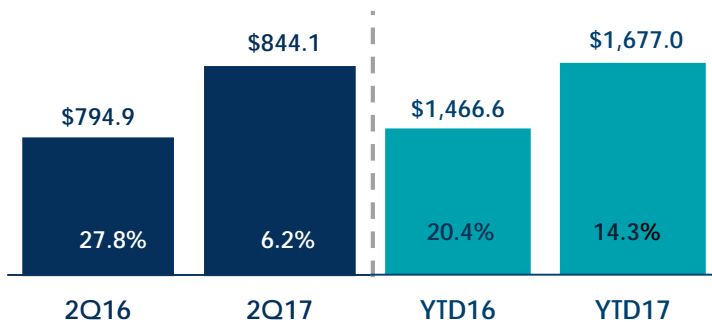
- Segments exceeded internal expectations
- Adjusted segment operating margin up 210 basis points
- Solid organic revenue growth

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



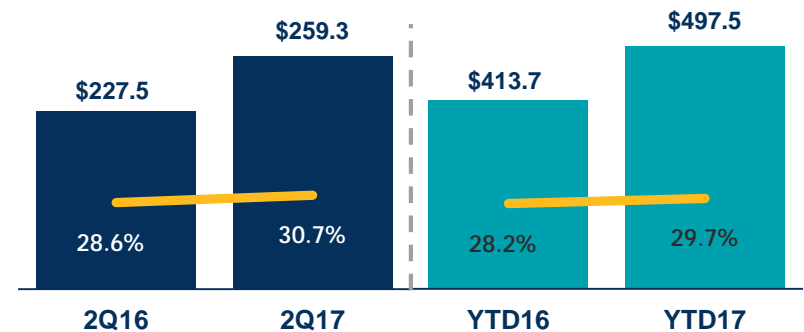
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾
Operating Margin⁽³⁾

(\$ in millions)



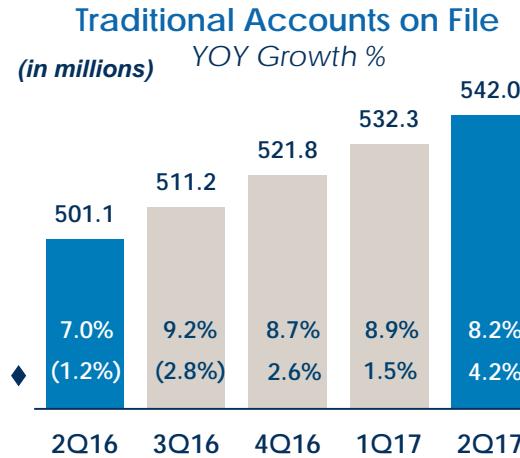
(1) Non-GAAP financial measure; See Appendix

(2) External revenue

(3) Net revenue

ISSUER SOLUTIONS SEGMENT HIGHLIGHTS

- Record net revenue and adjusted operating income
- Record traditional accounts on file and transaction volume
- Focus on new product initiatives, technology modernization, and integration activities

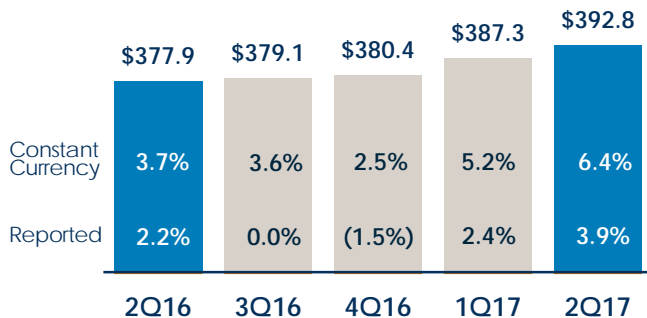


(◆) Growth Including Prepaid, Government Services and Single Use Accounts

Segment Net Revenue

YOY Growth %

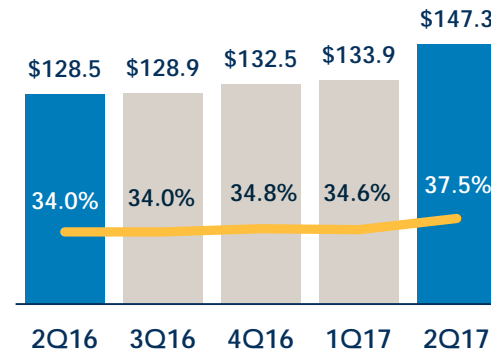
(\$ in millions)



Adjusted Segment Operating Income

Operating Margin⁽¹⁾

(\$ in millions)

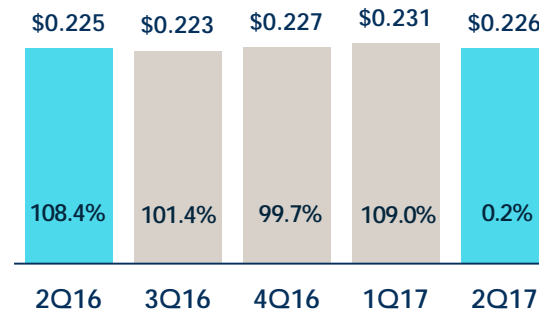


(1) Segment Net Revenue

MERCHANT SOLUTIONS SEGMENT HIGHLIGHTS

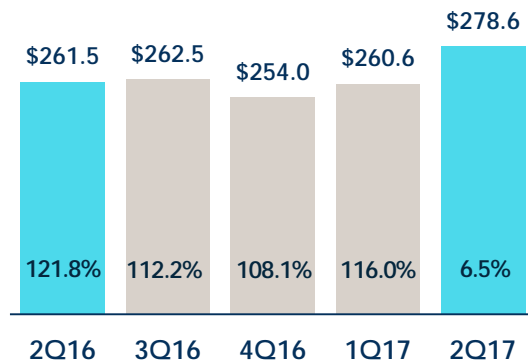
- Record net revenue and adjusted operating income
- Predictable revenue stream focused on fast growing SMB and integrated channels
- Strong and improving operating margin driven by synergies

Segment Net Revenue per Transaction
YOY Growth %



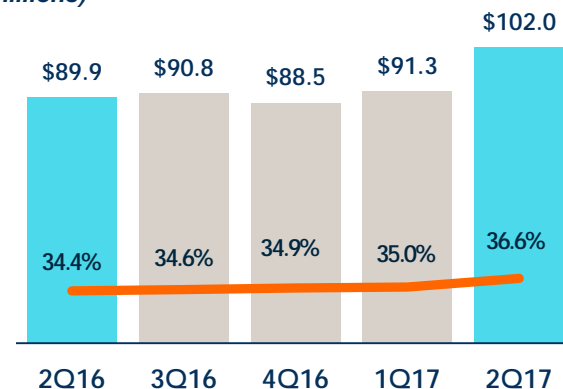
Segment Net Revenue
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income
Operating Margin⁽¹⁾

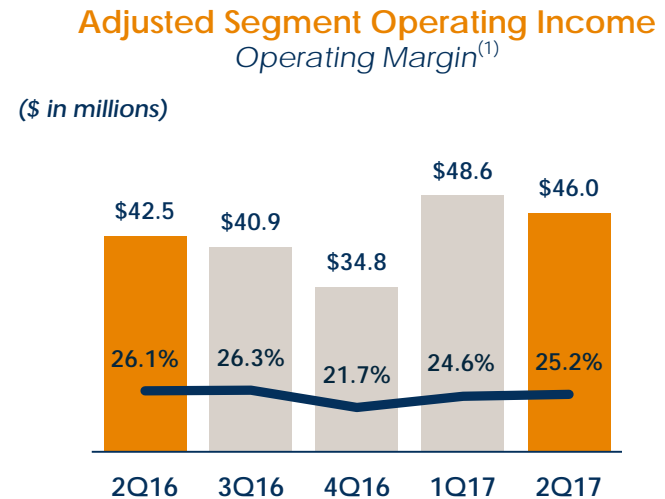
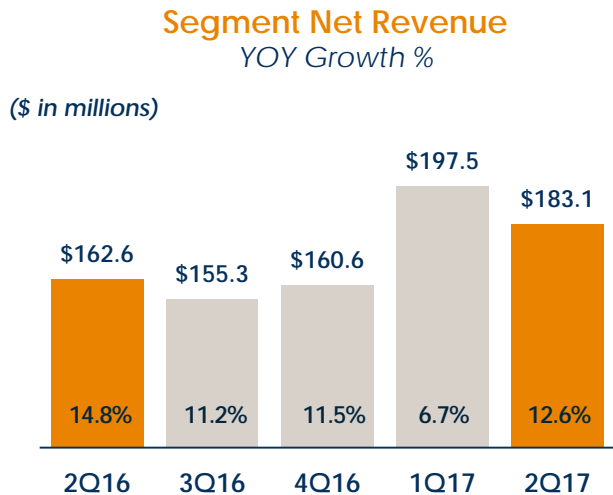
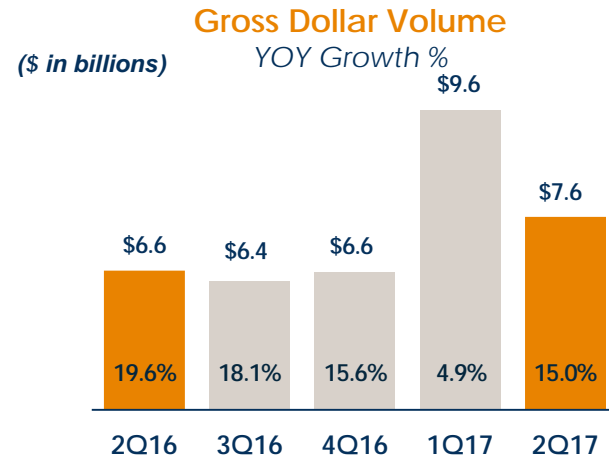
(\$ in millions)



(1) Segment Net Revenue

NETSPEND SEGMENT HIGHLIGHTS

- Product diversification on track
- Over 110K distributing locations and employers
- Strong YOY revenue growth



(1) Segment Net Revenue

SEGMENT OPERATING MARGIN AND ADJUSTED OPERATING MARGIN

Three Months Ended June 30, 2017

	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
<i>(in thousands)</i>			
Issuer Solutions	\$147,277	\$392,760	37.5%
Merchant Solutions	101,996	278,588	36.6%
Netspend	46,044	183,065	25.2%
Intersegment	--	(10,345)	
Corporate administration excluding share-based compensation	(36,036)	--	
Total	\$259,281	\$844,068	30.7%

SEGMENT OPERATING MARGIN AND ADJUSTED OPERATING MARGIN

Six Months Ended June 30, 2017

	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
<i>(in thousands)</i>			
Issuer Solutions	\$281,150	\$780,015	36.0%
Merchant Solutions	193,275	539,149	35.9%
Netspend	94,692	380,530	24.9%
Intersegment	--	(22,734)	
Corporate administration excluding share-based compensation	(71,608)	--	
Total	\$497,509	\$1,676,960	29.7%

2017 REVISED GUIDANCE*

(in millions, except per share data)

	Range			Range Percent Change		
Revenue:						
Total revenues (GAAP)	\$4,809	to	\$4,889	15%	to	17%
Net revenue⁽¹⁾ (non-GAAP)	\$3,315	to	\$3,395	9%	to	12%
Earnings per share:						
Diluted EPS (GAAP)	\$2.30	to	\$2.38	33%	to	37%
Adjusted diluted EPS attributable to TSYS common shareholders⁽¹⁾ (non-GAAP)	\$3.22	to	\$3.30	15%	to	18%
Weighted average diluted shares outstanding	185					

*See guidance assumptions in Appendix

(1) Non-GAAP financial measure; See Appendix

Q&A



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APPENDIX



APPENDIX: Accounts on File Portfolio Summary

<i>(in millions)</i>	June 2017	June 2016	% Change	June 2017	March 2017	% Change
Consumer	457.0	425.3	7.4	457.0	450.0	1.6
Commercial	51.5	47.0	9.6	51.5	50.0	3.3
Other	33.5	28.8	16.2	33.5	32.3	3.5
Traditional AOF	542.0	501.1	8.2	542.0	532.3	1.8
Prepaid*/Stored Value	50.6	79.5	(36.3)	50.6	54.1	(6.4)
Government Services	91.3	84.6	7.9	91.3	90.3	1.1
Commercial Card Single Use	89.7	76.9	16.6	89.7	85.3	5.1
Total AOF	<u>773.6</u>	<u>742.1</u>	<u>4.2</u>	<u>773.6</u>	<u>762.0</u>	<u>1.5</u>

* Prepaid does not include NetSpend accounts

APPENDIX: Non-GAAP Items – Net Revenue, Adjusted EBITDA and Adjusted Diluted EPS

- Net revenue is defined as total revenues less reimbursable items (such as postage), as well as, merchant acquiring interchange and assessment fees charged by the card associations or payment networks 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, gains or losses on foreign currency translations, other nonoperating income or expenses, share-based compensation expenses, litigation, claims, judgments or settlements 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 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, 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.

APPENDIX: Non-GAAP Reconciliation – Net Revenue

(in thousands)

Three Months Ended			Six Months Ended	
<u>6/30/17</u>	<u>6/30/16</u>		<u>6/30/17</u>	<u>6/30/16</u>
\$1,222,375	\$1,151,587	Total revenues	\$2,407,100	\$1,890,965
378,307	356,650	Less: reimbursable items, interchange and assessments expenses	730,140	424,384
<u>\$844,068</u>	<u>\$794,937</u>	Net revenue	<u>\$1,676,960</u>	<u>\$1,466,581</u>

APPENDIX: Non-GAAP Reconciliation – Constant Currency Net Revenue

<i>(in thousands)</i>	Three Months Ended		Percentage Change	Six Months Ended		Percentage Change
	<u>6/30/17</u>	<u>6/30/16</u>		<u>6/30/17</u>	<u>6/30/16</u>	
Consolidated:						
Constant currency ⁽¹⁾	\$853,368	\$794,937	7.4%	\$1,696,600	\$1,466,581	15.7%
Foreign currency impact ⁽²⁾	(9,300)	--		(19,640)	--	
Net revenue	<u>\$844,068</u>	<u>\$794,937</u>	6.2%	<u>\$1,676,960</u>	<u>\$1,466,581</u>	14.3%
Issuer solutions:						
Constant currency ⁽¹⁾	\$402,038	\$377,862	6.4%	\$799,627	\$755,871	5.8%
Foreign currency impact ⁽²⁾	(9,278)	--		(19,612)	--	
Segment net revenue	<u>\$392,760</u>	<u>\$377,862</u>	3.9%	<u>\$780,015</u>	<u>\$755,871</u>	3.2%

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

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

APPENDIX: Non-GAAP Reconciliation – Constant Currency Total Revenues

<i>(in thousands)</i>	Three Months Ended		Percentage Change	Six Months Ended		Percentage Change
	<u>6/30/17</u>	<u>6/30/16</u>		<u>6/30/17</u>	<u>6/30/16</u>	
Consolidated:						
Constant currency ⁽¹⁾	\$1,232,358	\$1,151,587	7.0%	\$2,428,207	\$1,890,965	28.4%
Foreign currency impact ⁽²⁾	(9,983)	--		(21,107)	--	
Total revenues	<u>\$1,222,375</u>	<u>\$1,151,587</u>	6.1%	<u>\$2,407,100</u>	<u>\$1,890,965</u>	27.3%
Issuer solutions:						
Constant currency ⁽¹⁾	\$452,597	\$429,864	5.3%	\$900,832	\$859,577	4.8%
Foreign currency impact ⁽²⁾	(9,961)	--		(21,079)	--	
Total revenues	<u>\$442,636</u>	<u>\$429,864</u>	3.0%	<u>\$879,753</u>	<u>\$859,577</u>	2.3%

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

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

APPENDIX: Non-GAAP Reconciliation – Adjusted EBITDA

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	6/30/17	6/30/16	6/30/17	6/30/16
Net income: (GAAP)	\$116,512	\$71,748	\$223,619	\$164,156
Adjust for:				
Less: Equity in income of equity investments	(9,513)	(5,977)	(22,422)	(12,224)
Add: Income taxes	56,207	40,290	99,289	83,719
Add: Interest expense, net	29,537	30,770	59,310	53,065
Add: Depreciation and amortization	99,359	104,969	203,537	172,552
Less: (Gain)/loss on Foreign currency translations	513	(960)	824	(1,469)
Less: Other nonoperating (income)/ expenses	(8)	(50)	(189)	261
Add: Share-based compensation	11,008	12,566	20,055	20,724
Add: TransFirst M&A expenses ⁽¹⁾	4,166	20,676	9,034	24,078
Add: Litigation, claims, judgments or settlements	(83)	--	1,878	--
Adjusted EBITDA	\$307,698	\$274,032	\$594,935	\$504,862

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

APPENDIX: Non-GAAP Reconciliation – Adjusted Diluted EPS

(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	6/30/17	6/30/16	6/30/17	6/30/16
Net income attributable to TSYS common shareholders: (GAAP) (a)	\$115,014	\$69,708	\$220,882	\$160,336
Adjust for:				
Add: Acquisition intangible amortization	50,783	58,210	105,785	80,855
Add: Share-based compensation	11,009	12,557	20,051	20,707
Add: TransFirst M&A expenses ⁽¹⁾	4,149	20,676	8,973	33,859
Add: Litigation, claims, judgments and settlements	(83)	--	1,878	--
Less: Tax impact of adjustments ⁽²⁾	(22,657)	(25,735)	(47,089)	(39,631)
Adjusted earnings (b) (non-GAAP)	\$158,215	\$135,416	\$310,480	\$256,126
Weighted average diluted shares outstanding(c)	185,286	184,598	185,122	184,335
Diluted EPS – Net income attributable to TSYS common shareholders (a) / (c) (GAAP)	\$0.62	\$0.38	\$1.19	\$0.87
Adjusted diluted EPS- Net income attributable to TSYS common shareholders (b) / (c) (non-GAAP)	\$0.85	\$0.73	\$1.68	\$1.39

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

(2) Certain of these merger and acquisition costs are nondeductible for income tax purposes. Income tax impact includes a discrete item as a result of the acquisition.

2017 REVISED GUIDANCE*

(in millions, except per share data)

	Range			Range Percent Change		
Total revenues (GAAP)	\$4,809	to	\$4,889	15%	to	17%
Less: reimbursable items, interchange and assessments expenses	1,494	to	1,494			
Net revenue (non-GAAP)	\$3,315	to	\$3,395	9%	to	12%
Diluted EPS (GAAP)	\$2.30	to	\$2.38	33%	to	37%
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and TransFirst M&A expenses, less the tax impact of adjustments	0.92	to	0.92			
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$3.22	to	\$3.30	15%	to	18%
Weighted average diluted shares outstanding	185					

(* See guidance assumptions)

APPENDIX: 2017 Revised Guidance Assumptions

The guidance assumes:

- There will be no significant movements in the London Interbank Offered Rate, and TSYS will not make any significant draws on the remaining balance of its credit facility;
- 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 large clients, additional acquisitions, or any significant impairment of goodwill or other intangibles;
- There will be no deconversions of large clients during the year other than as previously disclosed; and
- The economy will not worsen.
- Additionally, the impact of future share repurchases is not included.