

A thick blue line graphic that starts as a vertical line on the left, then turns 90 degrees to become a horizontal line. In the middle of the horizontal line, it dips down into a V-shape before continuing horizontally to the right.

2018 Fourth Quarter

January 29, 2019



solutions for
ISSUERS • MERCHANTS • CONSUMERS

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 2017 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)

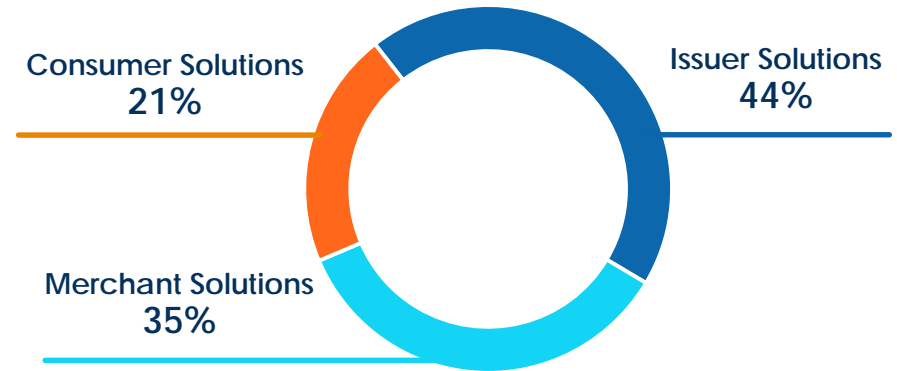
4th Qtr 2018	4th Qtr 2017	Percent Change		YTD 2018	YTD 2017	Percent Change
\$1,018,090	\$1,273,289	(20.0%)	Total Revenues	\$4,028,211	\$4,927,965	(18.3%)
959,261	870,613	10.2	Net Revenue ⁽¹⁾	3,815,900	3,400,332	12.2
346,022	293,277	18.0	Adjusted EBITDA ⁽¹⁾	1,370,453	1,197,673	14.4
\$1.08	\$0.82	31.5	Adjusted Diluted EPS ⁽¹⁾	\$4.47	\$3.37	32.7

(1) Non-GAAP financial measure; See Appendix

Consolidated Highlights

- Record net revenue and adjusted segment operating income for 2018
- Strong organic net revenue growth
- Purchased 2.0 million shares for \$171.9 million

4th Quarter
Net Revenue by Segment⁽¹⁾⁽²⁾



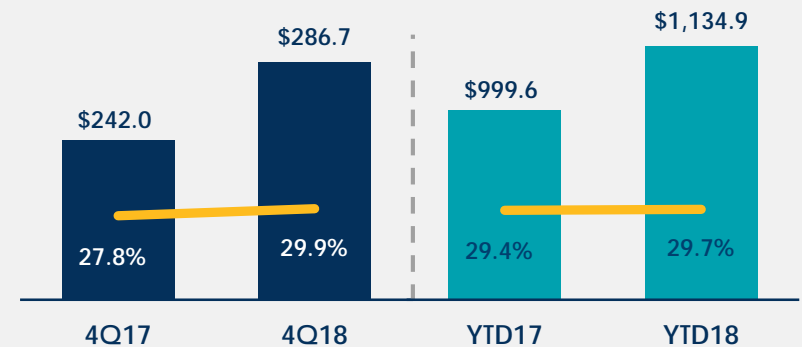
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



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

(\$ in millions)



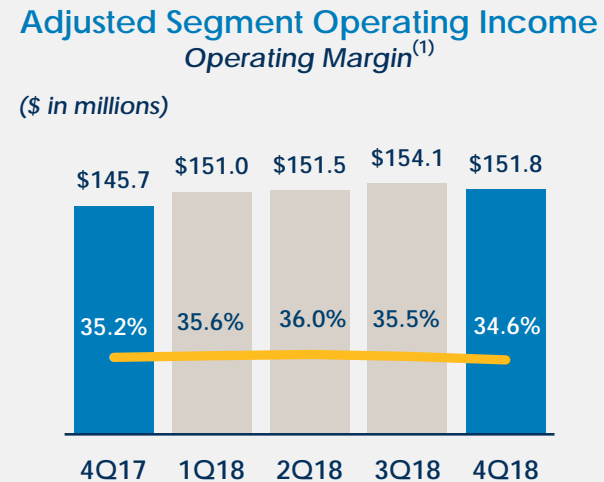
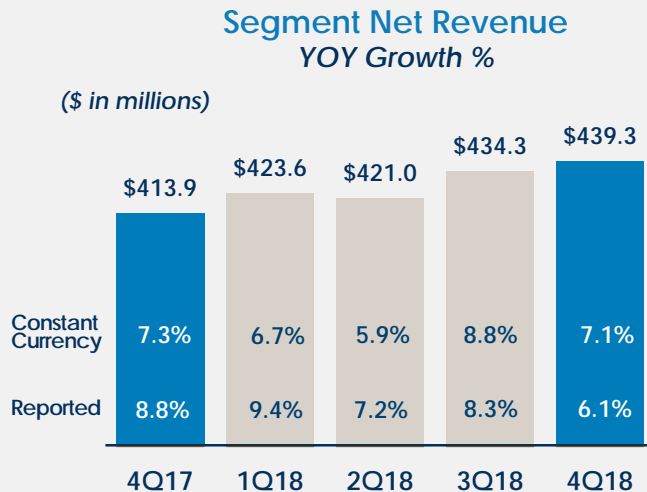
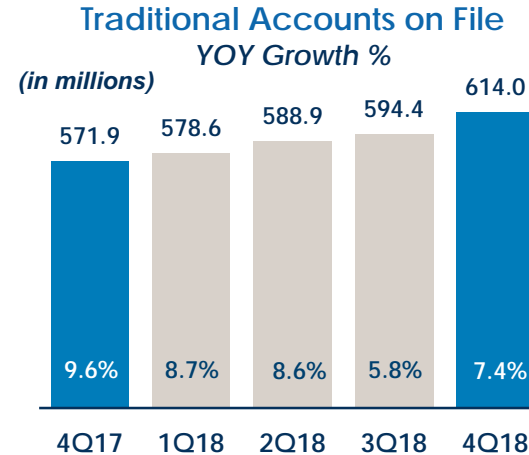
(1) Non-GAAP financial measure; See Appendix

(2) External revenue

(3) Net revenue

Issuer Solutions Segment Highlights

- Record net revenue for the quarter and the year
- Record traditional accounts on file and transaction volume
- Solid pipeline of new business and product expansion

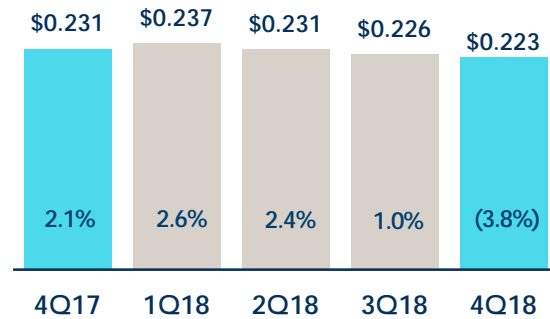


(1) Segment Net Revenue

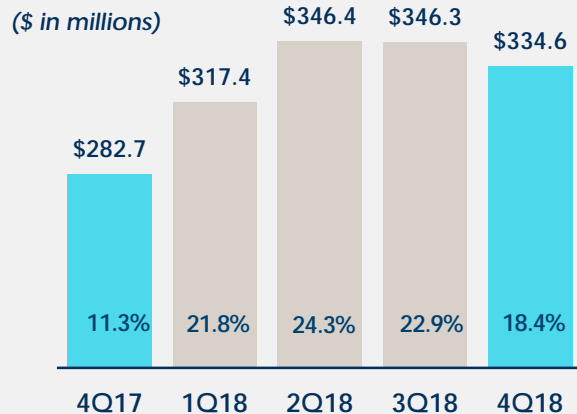
Merchant Solutions Segment Highlights

- Double digit organic net revenue growth for 2018
- Record 2018 adjusted segment operating income
- 2018 Margin up 54 BPS over 2017

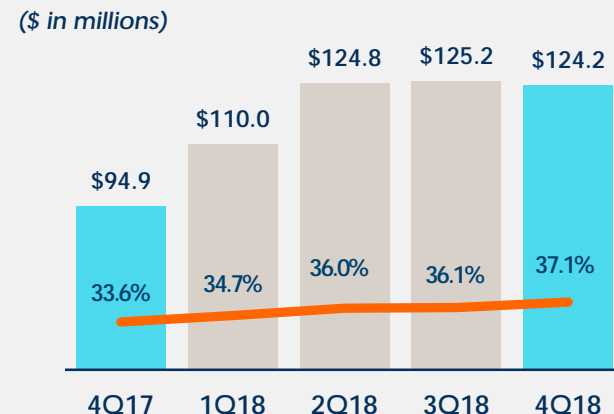
Segment Net Revenue per Transaction
YOY Growth %



Segment Net Revenue
YOY Growth %



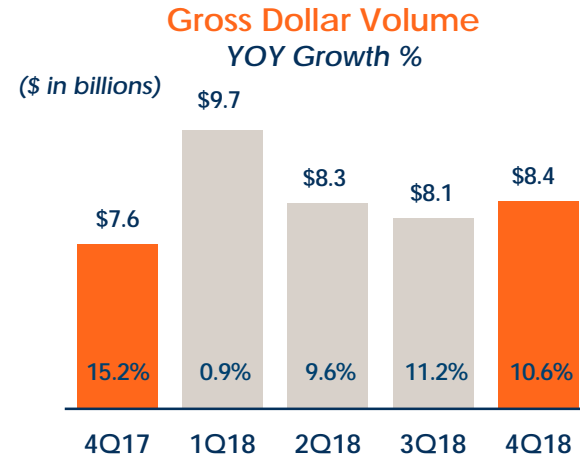
Adjusted Segment Operating Income
Operating Margin⁽¹⁾



(1) Segment Net Revenue

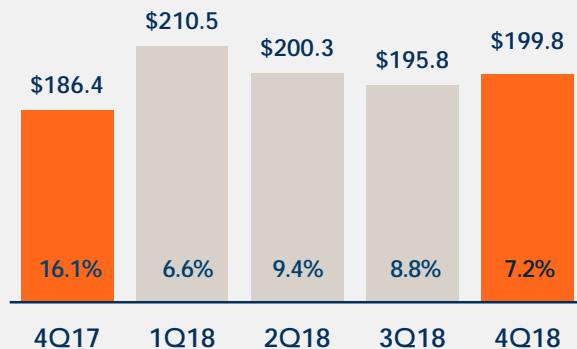
Consumer Solutions Segment Highlights

- Extended Wal-Mart and other key distribution agreements
- Over \$34 billion of gross dollar volume in 2018
- Over \$800 million of net revenue in 2018



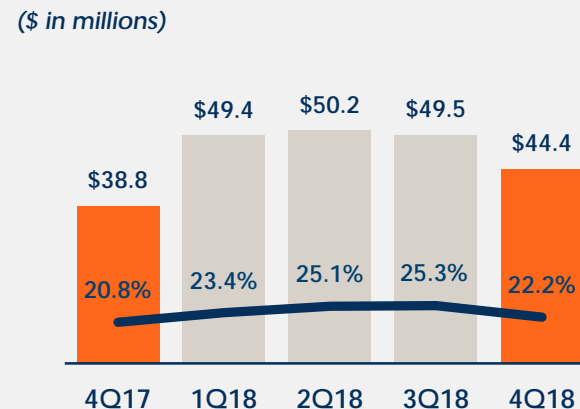
Segment Net Revenue
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income
Operating Margin⁽¹⁾

(\$ in millions)



(1) Segment Net Revenue

Adjusted Segment Operating Margin

Three Months Ended December 31, 2018

<i>(in thousands)</i>	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
Issuer Solutions	\$151,804	\$439,255	34.6%
Merchant Solutions	124,213	334,617	37.1%
Consumer Solutions	44,384	199,839	22.2%
Intersegment	--	(14,450)	
Corporate administration excluding share-based compensation	(33,691)	--	
Total	\$286,710	\$959,261	29.9%

Adjusted Segment Operating Margin

Twelve Months Ended December 31, 2018

<i>(in thousands)</i>	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
Issuer Solutions	\$608,392	\$1,718,177	35.4%
Merchant Solutions	484,197	1,344,718	36.0%
Consumer Solutions	193,472	806,430	24.0%
Intersegment	--	(53,425)	
Corporate administration excluding share-based compensation	(151,167)	--	
Total	\$1,134,894	\$3,815,900	29.7%

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





Appendix

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Appendix: Accounts on File Portfolio Summary

(in millions)

	December 2018	December 2017	% Change	December 2018	September 2018	% Change
Consumer	514.6	481.3	6.9	514.6	499.3	3.1
Commercial	57.8	54.2	6.5	57.8	55.6	4.0
Other	41.6	36.4	14.1	41.6	39.5	5.2
Traditional AOF	614.0	571.9	7.4	614.0	594.4	3.3
Prepaid*/Stored Value	11.8	38.6	(69.2)	11.8	17.1	(30.5)
Government Services	--	95.0	(100.0)	--	98.0	(100.0)
Commercial Card Single Use	113.5	92.0	23.3	113.5	114.2	(0.6)
Total AOF	<u>739.3</u>	<u>797.5</u>	<u>(7.3)</u>	<u>739.3</u>	<u>823.7</u>	<u>(10.2)</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), 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, 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			Twelve Months Ended	
12/31/18	12/31/17		12/31/18	12/31/17
\$1,018,090	\$1,273,289	Total revenues	\$4,028,211	\$4,927,965
58,829	402,676	Less: reimbursable items, interchange and payment network fees	212,311	1,527,633
<u>\$959,261</u>	<u>\$870,613</u>	Net revenue	<u>\$3,815,900</u>	<u>\$3,400,332</u>

Constant Currency Total Revenues and Net Revenue

Appendix: Non-GAAP Reconciliation

(in thousands)	Three Months Ended		Percentage Change	Twelve Months Ended		Percentage Change
	12/31/18	12/31/17		12/31/18	12/31/17	
Consolidated:						
Total revenues (GAAP)	\$1,018,090	\$1,273,289	(20.0%)	\$4,028,211	\$4,927,965	(18.3%)
Foreign currency impact ⁽¹⁾	4,354	--		(10,325)	--	
Constant currency ⁽²⁾ (non-GAAP)	<u>\$1,022,444</u>	<u>\$1,273,289</u>	(19.7%)	<u>\$4,017,886</u>	<u>\$4,927,965</u>	(18.5%)
Net revenue (non-GAAP)	\$959,261	\$870,613	10.2%	\$3,815,900	\$3,400,332	12.2%
Foreign currency impact ⁽¹⁾	3,987	--		(9,704)	--	
Constant currency ⁽²⁾ (non-GAAP)	<u>\$963,248</u>	<u>\$870,613</u>	10.6%	<u>\$3,806,196</u>	<u>\$3,400,332</u>	11.9%
Issuer solutions:						
Segment net revenue (GAAP)	\$439,255	\$413,869	6.1%	\$1,718,177	\$1,594,959	7.7%
Foreign currency impact ⁽¹⁾	4,130	--		(9,446)	--	
Constant currency ⁽²⁾ (non-GAAP)	<u>\$443,385</u>	<u>\$413,869</u>	7.1%	<u>\$1,708,731</u>	<u>\$1,594,959</u>	7.1%

(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		Twelve Months Ended	
	12/31/18	12/31/17	12/31/18	12/31/17
Net income (GAAP) (a)	\$136,420	\$243,871	\$577,917	\$592,216
Adjust for:				
Less: Equity in income of equity investments	(9,843)	(9,613)	(45,156)	(40,532)
Less: Income tax expense / (benefit)	40,341	(88,039)	127,003	65,878
Add: Interest expense, net	40,016	28,217	158,881	116,028
Add: Depreciation and amortization ⁽¹⁾	98,563	102,085	408,573	405,906
Add: Client incentive/contract asset amortization ⁽¹⁾	7,216	--	28,105	--
Add: Contract cost asset amortization ⁽¹⁾	7,900	--	35,729	--
Less: (Gain)/loss on Foreign currency translations	186	(343)	(109)	907
Less: Other nonoperating (income)/ expenses	2,666	(172)	4,202	(453)
Add: Share-based compensation	15,843	13,947	48,758	42,409
Add: Cayan and TransFirst M&A and integration expenses ⁽²⁾	6,714	3,281	26,550	13,367
Add: Litigation, claims, judgments or settlements	--	43	--	1,947
Adjusted EBITDA (non-GAAP) (b)	\$346,022	\$293,277	\$1,370,453	\$1,197,673
Total revenues (c)	\$1,018,090	\$1,273,289	\$4,028,211	\$4,927,965
Net income margin on total revenues (GAAP) (a)/(c)	13.4%	19.2%	14.3%	12.0%
Net revenue (d)	\$959,261	\$870,613	\$3,815,900	\$3,400,332
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	36.1%	33.7%	35.9%	35.2%

(1) Client incentive/contract asset amortization and contract cost asset amortization are no longer included in depreciation and amortization due to the adoption of ASC 606 on January 1, 2018.

(2) 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		Twelve Months Ended	
	12/31/18	12/31/17	12/31/18	12/31/17
Net income attributable to TSYS common shareholders: (GAAP) (a)	\$136,420	\$242,208	\$576,656	\$586,185
Adjust for:				
Add: Acquisition intangible amortization	54,334	50,683	236,707	207,172
Add: Share-based compensation	15,843	13,944	48,757	42,399
Add: Cayan and TransFirst M&A and integration expenses ⁽¹⁾	6,714	3,281	26,550	13,306
Add: Litigation, claims, judgments and settlements ⁽²⁾	--	43	--	1,947
Less: Tax impact of adjustments ⁽³⁾	(17,091)	(23,252)	(68,655)	(90,955)
Add/less: impact of Tax Cuts and Jobs Act ⁽⁴⁾	1,277	(135,871)	1,277	(135,871)
Adjusted earnings (non-GAAP) (b)	\$197,497	\$151,036	\$821,292	\$624,183
Weighted average diluted shares outstanding (c)	183,660	184,639	183,919	185,430
Diluted EPS – Net income attributable to TSYS common shareholders (GAAP) (a) / (c)	\$0.74	\$1.31	\$3.14	\$3.16
Adjusted diluted EPS- Net income attributable to TSYS common shareholders (non-GAAP) (b) / (c)	\$1.08	\$0.82	\$4.47	\$3.37

(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) Litigation settlement or settlement discussions and related legal expenses.

(3) 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 acquisitions.

(4) On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the "Tax Act"). In addition to the reduction in the federal corporate income tax rate, TSYS realized a non-recurring income tax expense/(benefit) of \$1.3 million and (135.9) million for the years ended December 31, 2018 and 2017, respectively due to the reduction of certain deferred tax assets and liabilities and the repatriation of foreign earnings as a result of the Tax Act.

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, interchange and payment network fees	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 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.