

28-May-2019

Global Payments, Inc. (GPN)

Global Payments, Inc and Total System Services, Inc Merger Call

CORPORATE PARTICIPANTS

Winnie Smith

Vice President-Investor Relations, Global Payments, Inc.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

OTHER PARTICIPANTS

David J. Koning

Analyst, Robert W. Baird & Co., Inc.

Ashwin Vassant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Andrew Jeffrey

Analyst, SunTrust Robinson Humphrey, Inc.

Bryan C. Keane

Analyst, Deutsche Bank Securities, Inc.

David Mark Togut

Analyst, Evercore ISI

James E. Friedman

Analyst, Susquehanna International Group, LLP

Brett Huff

Analyst, Stephens, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, thank you for standing by, and welcome to the Global Payments and TSYS Conference Call. At this time all participants are in a listen-only mode. Later, we will open the lines for your questions and answers. [Operator Instructions] And as a reminder, today's conference will be recorded.

At this time, I would like to turn the conference over to your host, Vice President-Global Payments Investor Relations, Winnie Smith. Please go ahead.

Winnie Smith

Vice President-Investor Relations, Global Payments, Inc.

Good morning. The press release and investor presentation regarding today's news is available on the Investor Relations section of both globalpaymentsinc.com and tsys.com. During this presentation, we will make forward-looking statements which include, but are not limited to, statements about the strategic rationale and financial benefits of the transaction, including expected future financial and operating results and the combined company's plans, objective, expectations and intentions. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from forward-looking statements or historical performance.

We encourage you to review the information in the reports Global Payments and TSYS filed with the SEC regarding these specific risks and uncertainties in their most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q and any material update to these factors contained in any future filings. Please note that today's presentation is neither an offer itself the solicitation of an offer to buy securities or solicitation of a proxy vote. The information discussed today is qualified in its entirety by the registration statement on Form S-4 and joint proxy statement that Global Payments and TSYS will be filing with the SEC in the future. Investors and security holders are urged to read those filings as well as any amendments or supplements to those documents and any other relevant documents filed or to be filed with the SEC in connection with a proposed merger when they become available.

Joining me on the call are Jeff Sloan, CEO of Global Payments; Troy Woods, Chairman, President and CEO of TSYS; Cameron Bready, Senior Executive Vice President and CFO of Global Payments; and Paul Todd, Senior Executive Vice President and CFO of TSYS.

Now, I'll turn the call over to Jeff.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

Thanks, Winnie. We are delighted to announce that Global Payments and TSYS have entered into a definitive agreement to combine in a landmark transaction for the payments industry. This partnership creates the preeminent pure play payments technology company at scale, focused on small and medium sized businesses or SMBs and leading financial institutions globally.

Importantly, the merger accelerates our technology-enabled software-driven strategy, establishing Global Payments as the leading provider of integrated payment solutions, owned software in both merchant and issuing

and e-commerce and omni-channel capabilities. The combination also provides further exposure to additional faster growth geographies and enhance scale in markets overseas in which each company already operates.

Together, we are uniquely positioned to deliver a full value stack of products and services and address the vertically fluent needs of our combined customer base of nearly 3.5 million merchant locations, more than 1,300 financial institutions and more than 600 million cardholders worldwide, and all of that will be headquartered right here in Georgia.

Our distinctive distribution channels, vertical markets, customers, products and geographies are highly complementary resulting in meaningful revenue enhancement opportunities, which in combination with powerful expense synergies translate to immediate accretion on an operating basis and significant value creation. Importantly, the strength of our combined financial profile provides us with great flexibility to further invest and innovate for the long-term.

Finally, it is critical to note that the all-stock structure allows us to continue to pursue software and vertical market transactions to further our strategy much as we did with active network post-Heartland. As we have said consistently over the last few years, for us vertical and horizontal transactions are not mutually exclusive. That was our strategy post-Heartland in 2016 and we expect it to continue to be so post-TSYS.

We could not be more excited about the future as we bring together two industry leaders in financial technology with strong businesses, management teams and cultures that will generate significant opportunities for our employees, customers, partners and shareholders. I am pleased to partner with Troy and the TSYS team. Together, we will combine the best of our cultures to preserve and enhance our commitments to all of our stakeholders.

I'll now turn the call over to Troy for his thoughts.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

Thank you, Jeff, and good morning. Today's announcement is a watershed event to both of our great companies that Jeff and I are honored and privileged to lead. The combination of TSYS and Global Payments and a true merger of equals provides a compelling opportunity to create a peach state powerhouse in payments. This powerful combination that we are announcing today just extended Atlanta's Transaction Alley 100 miles down the road to Columbus.

Together, our combined companies will process in excess of 50 billion transactions annually. That's over 137 million times a day we touch people's lives. It takes courage to strive for excellence, and we believe this transformational merger will immediately create a global leader in payments technology of unsurpassed quality, scale and expertise in every area. This is the right partnership for both companies as the combination of TSYS and Global Payments represents a strategic opportunity to unite two leaders in the payments industry with a shared vision to create the leading pure play payments technology company worldwide.

In addition to leveraging our robust merchant capabilities that Jeff mentioned, this transaction will also provide upside to our issuer processing addressable market and provide expanded digital solutions to financial institutions around the world. And our current market in which larger peers are actively consolidating to gain scale, TSYS approached this opportunity to embrace disruption and strategically position the company to continue to be successful over the long-term. This was simply the right time with the right partner to form this merger.

As a combined company, we will be able to enhance our technology scale as customers won't and need global solutions to help them grow. The deal significantly enhances our combined financial strength and flexibility to further expose us to faster growth geographies and will enable us to remain competitive amongst our peers amid the constant changing dynamics of our industry.

Further solidifying our outlook on this combination is the strength we have through our complementary corporate cultures. TSYS and Global Payments share a common value of putting people first as evidenced by our respective brand and culture statements. Global Payments is focused in every way on Service, Driven, Commerce, while TSYS has developed a strong reputation for our commitment to bring people-centered and performance driven. Global Payments' mission of delivering customer-centric payment and software solutions alliance perfectly with the TSYS customer covenant through which we pledge to unlock the possibilities in payments for our customers.

Finally, the corporate values of each company or the foundation on which our businesses have been built and will be the basis going forward for our combined companies. Global Payments' vision is to be the payment technology and software solutions leader worldwide. TSYS' vision is to be the leading global payments solutions provider. Today's announcement will put us that much closer to realizing our shared visions. On behalf of the 13,000 TSYS team members around the world, we are delighted to link arms with Global Payments and this next great step to our company and the industry.

Now I'll turn things back over to Jeff to provide some additional information about the new combined company. Jeff?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

Thanks, Troy. With the merging of these two innovated payments focused companies, we will significantly expand the scale and scope of our technology-enabled software-driven ecosystem, processing in excess of 50 billion transactions annually.

Our distribution capabilities will be unrivaled in payments with a global sales force of more than 3,500 sales and sales support professionals arrayed across 38 physical countries, primarily focused on SMB customers and premier financial institutions. We will have the full breadth of distribution assets to augment physical sales including self-select, partner referrals and outbound telesales. And with the combination of the TSYS issuing business no company is a more trusted partner worldwide for large complex financial institutions. Together, we will have established partnerships with more than 1,300 leading FIs globally, including some of the most sizeable multinational banks worldwide.

As I mentioned before, we also have a resilient financial profile through a differentiated portfolio of merchant issuer and consumer solutions in an expected immediate investment grade credit rating. Critically, the combination will further our three strategic objectives that we have been executing against since 2015: market leadership in integrated payments; emphasis on own software with a payments overlay, increasingly in the cloud and on a SaaS basis; continued differentiation in e-commerce and omni-channel acceptance and further exposure to faster growth geographies.

In sum, Global Payments and TSYS will be the undisputed partner of choice for merchants and large complex financial institutions worldwide in the most attractive end markets. Payments are not just an adjacency for us, it's our exclusive focus, an area of unrivaled expertise. More specifically, the combination of OpenEdge's 2,000 plus

ISV partners across more than 70 vertical markets with TSYS' more than 450 ISV partners across over 50 vertical markets will provide us with unmatched vertical markets breath.

Our integrated payment platforms are highly complementary with limited competitive overlap. By way of example, TSYS has a strong foothold in specialty retail, a relatively small channel for Global Payments. While TSYS has less exposure to restaurants, Global Payments' largest vertical in which we provide the entire value stack across all segments of the market. In addition, we each had dedicated point-of-sale solutions targeted at those distinct verticals, Vital POS for TSYS and Heartland Register for Global Payments. And each company focuses predominantly on SMB merchants especially in the United States, our largest market.

Similarly, the combination of Heartland and TSYS merchant solutions will substantially enhance our domestic sales professional and SMB base. TSYS adds more than 500 sales professionals and more than doubles Heartland's FI base of referral partners. And the addition of TSYS will nearly double our SMB customer locations in the United States to over 1.8 million.

Turning to owned software, Global Payments has a significant history of investment including by way of acquisition through Heartland. For example, School Solutions, Campus and Xenial as well as standalone; for example, ACTIVE, AdvancedMD, SICOM and Central. We are delighted to welcome TSYS' issuer solutions business, which provides mission-critical software and processing services to card issuing customers predominantly through its best-in-class TS2 software offering. That business is highly complementary to our existing strategy and significantly advances our software-driven payments thesis. More to come on that in a moment.

As to the second pillar of our strategy, TSYS' e-commerce and omni-channel business in the United States will also grow our portfolio by nearly 50% to \$900 million annually and also opens the door for additional multinational cross-sell opportunities for MNCs globally. TSYS' merchant offerings currently are U.S. based only. We will be able to capitalize on the continued rollout of our unified commerce platform, which is a product solution that TSYS does not currently have outside the United States.

In addition, TSYS has a significant payment facilitator business domestically, whereas Global Payments exposure to that sector is largely cross-border in Europe and Asia. Of course, the combined company will be well-positioned to continue to roll out e-commerce and omni-channel solutions to additional markets worldwide and further accelerate exposure to faster growth markets. It's worth noting that unlike our peers, Global Payments has full merchant payment services in 31 countries outside the United States today, including sales, operations, technology, product, direct membership with networks and licensing. So, much of the heavy lifting has already been done.

Finally, TSYS' consumer solutions business provides payment solutions to consumers and businesses, exposure to business to business or B2B, business to consumer as well as person to person or P2P, digital payment trends, segments in which Global Payments does not currently compete. Similarly, Global Payments has extensive experience with QR codes and digital wallets and changing consumer preferences, particularly in Asia-Pacific and by extension into Canada and the United Kingdom. We expect B2B and P2P to provide additional opportunities to accelerate rates of growth going forward.

TSYS' card issuing business further advances our technology enabled software driven payment strategy towards a 60% of the business target that we established last year. That card issuing business is ranked number one in market share in the United States, Canada, the United Kingdom, Ireland and China and number two across Western Europe. As TSYS issuer processing customers move to cloud-based solutions, we believe that Global

Payments can accelerate the development of next-generation products and services in what is already a market leading business with a full pipeline.

And of course, cross-sell opportunities abound for Global Payments to make introductions to large FIs especially in Asia-Pacific excluding Mainland China where TSYS has historically been underrepresented. And the reverse is also true in markets like Western Europe, where TSYS can reciprocate with Global Payments. The combination opens up acquisition opportunities especially in Europe and Latin America where issuing and acquiring tend to be combined into a single business.

Finally, the combination of the largest issuer processing platform domestically and worldwide with substantial SMB acquiring assets multi-nationally will open up additional opportunities for new products and services for cross-sell. Use cases will likely include a virtual closed loop, more efficient strong customer authentication and fraud prevention for e-commerce transactions as well as heightened sales effectiveness.

With that, I'll turn the call over to Cameron.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

Thanks, Jeff, and good morning, everyone. We very much appreciate you joining us today to discuss this transformative transaction for both Global Payments and TSYS.

As Jeff noted, we have entered into a definitive agreement to combine with TSYS in an all stock merger of equals in which TSYS shareholders will receive 0.8101 shares of Global Payments stock for each share of TSYS stock at closing subject to the terms of the merger agreement. Existing Global Payments shareholders will earn approximately 52% of the combined entity and existing TSYS shareholders will earn the remaining approximately 48%.

The combined company will benefit from significantly enhanced scale in financial flexibility, particularly in light of the transaction structure. On a pro forma basis for 2019, we expect the company to generate approximately \$8.6 billion in annual adjusted net revenue plus network fees; approximately \$3.5 billion in adjusted EBITDA; and approximately \$2.5 billion of adjusted free cash flow inclusive of run rate synergies. This strong pro forma financial profile and free cash flow generation will position the combined business with significant additional capacity to pursue a balanced capital allocation strategy going forward.

Upon closing, which we anticipate will be in the fourth quarter, the combined company will have approximately 285 million shares outstanding and approximately \$8.4 billion of debt. Pro forma leverage is projected to be approximately 2.5 times on a debt-to-EBITDA basis at close. We expect the combined company to have an investment grade credit rating and we are committed to maintaining an investment grade balance sheet going forward.

As Jeff mentioned, we expect the transaction to be immediately accretive on an operating basis. Specifically, we anticipate adjusted earnings per share accretion of mid-single digits in 2020 and double-digits thereafter.

Regarding the corporate structure, Jeff will serve as CEO of the combined company and Troy will serve as Chairman of the board. The new board of directors will be composed of six members from each of the existing boards of Global Payments and TSYS respectively. Additionally, we will establish an executive leadership team that will also be comprised equally of individuals from Global Payments and TSYS.

Each of whom has a demonstrated track record of leadership, innovation and value creation in our industry. The company will be co-headquartered in Atlanta and Columbus, preserving our strong combined heritage in Georgia.

The combination of Global Payments and TSYS represents a tremendous value creation opportunity in part through the realization of both substantial cost and revenue synergies. As for expense opportunities, we expect to deliver at least \$300 million of annual run rate cost synergies primarily by aligning merchant business operations and go-to-market strategies, streamlining technology infrastructure, eliminating duplicative corporate and operational support structures and realizing scale efficiencies.

Both Global Payments and TSYS have strong track records of delivering on expense synergy targets and we have every confidence in our ability to do so in this transaction. The vast majority of the identified expense synergies are expected to come from areas where our two businesses have significant overlap and we see limited execution risk. This integration will optimize our cost structure and position the combined company for future growth, while ensuring we continue to provide best-in-class customer service worldwide. We anticipate achieving our full run rate cost benefits in three years.

Our approach to sizing expense synergy expectations was with an eye towards ensuring the combined business is prepared to continue to grow and expand in the future. The overall structure of the transaction was designed to provide significant capacity to invest for growth. We do not want to spend the next five years integrating our businesses. Rather, integration activities will be focused on overlapping areas that will generate the best yield and we expect most actions will be initiated within the first 18 months post-closing, with technology migrations being the longer-dated initiatives. This will allow us to be well-positioned for future investments in a timely manner.

Turning to the revenue enhancement opportunities we see for the combined business, we expect to realize at least \$100 million in synergies within three years of closing. Today, TSYS serves over 800,000 SMB merchant locations across over 50 verticals and has longstanding partnerships in its issuer and consumer solutions businesses. We believe there is a vast opportunity to serve the business needs of these customers and partners with our vertically specialized technology offerings such as Xenial SICOM and AdvancedMD. We are confident in our ability to realize this opportunity, thanks to our large, highly trained direct sales force with a proven track record of successfully cross-selling after our previous acquisitions.

In addition, we are delighted with the revenue opportunities we expect to generate through our complementary relationships with leading financial institutions around the world. The merger will give TSYS' issuer solutions business immediate access to a number of new markets where Global Payments has extensive financial institution partnerships and we see large untapped opportunities to establish merchant referral relationships with TSYS' FI partners, a strategy that Global Payments has consistently executed over the past 20-plus years. These are just two of a number of meaningful opportunities we have identified. Overall, we could not be more excited about the growth characteristics of the combined company as we focus on delivering distinctive and differentiated payment solutions to customers across the most attractive markets worldwide.

Now, let me turn it over to Paul to provide an overview of the exceptional financial profile of the combined business. Paul?

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

Thank you, Cameron. The ability to drive industry-leading top line growth, margin expansion, adjusted earnings per share growth and free cash flow generation provides us with significantly enhanced and best-in-class financial flexibility day one. Following the close of this transaction, we will continue to execute against a disciplined capital

allocation strategy that emphasizes investments to drive growth, including additional acquisitions and partnerships that complement our strategy, while also maintaining an investment grade balance sheet and ensuring ample liquidity and financial flexibility. It is also worth noting the intention to maintain TSYS's existing dividend yield going forward. We are committed to managing our leverage to approximately 2.5 times on a normal course of business basis, a level that we anticipate will allow us to preserve our expected investment grade credit rating, while still providing ample capacity to invest. That said, assuming leverage is at our targeted level, if we do not see near-term opportunities to reinvest in the business, we will look to return capital to shareholders in the most efficient means possible. We continue to view share repurchases as the most effective way to do that, particularly in light of the value creation potential we see in this combination.

And with that, I'll turn it back to you, Cameron.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

Thanks, Paul. In summary, the strength and resiliency of our combined payments-focused model, together with the significant revenue and expense opportunities enabled by this transformative transaction, position us to deliver industry-leading organic growth going forward. We are very enthusiastic about the future as we build upon our competitive advantages in global leadership position to drive long-term value creation for our shareholders.

I'll now turn the call back over to Jeff.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

Thanks, Cameron. Technology is transforming our industry and we believe that we were at the forefront of leading that change. Global Payments has invested over \$2 billion of our own capital over the last five plus years in our own systems to extend our lead in financial technology. We've also invested over \$8 billion of our capital in acquisitions and partnerships during that time to transform our ecosystem and redefine what success as a payments technology company means. Much like Heartland, today's announcement of our merger with TSYS should be viewed in that light.

By combining with TSYS, we deepen our competitive moat across each element of our strategy, which will allow us to sustain industry-leading growth and remain at the forefront of innovation well into the next decade. We have found a true partner in the people of TSYS. The combined company will have a powerful culture with the very best employees, providing the very best experiences for our customers with the very best technologies in the very best markets. The future is bright indeed. Winnie.

Winnie Smith

Vice President-Investor Relations, Global Payments, Inc.

Before we begin our question-and-answer session, I'd like to ask everyone to limit their questions to one with one follow-up to accommodate everyone in the queue. Thank you. Operator, we will now go to questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from David Koning with Baird. Your line is open.

David J. Koning

Analyst, Robert W. Baird & Co., Inc.

Q

Yeah. Good morning and congratulations on this.

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

A

Thanks Dave.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Thanks Dave.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thank you, David.

David J. Koning

Analyst, Robert W. Baird & Co., Inc.

Q

Yes, So I guess first of all, just on a numbers question, so – Global Payments standalone had been growing very rapidly mid-to-high teens I think EPS; that could put us at a 2021 standalone EPS around \$8.25 or so. Is the 10% accretion to that basically, so something around the \$9 number for 2021, is that kind of what you were thinking?

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Yeah Dave, it's Cameron, I'll maybe jump in there. Without getting into the specific sort of EPS targets, what I would say is the accretion numbers we quoted today are off of our standalone expectation. So obviously, we have guided to roughly 16% to 18% compound growth in earnings per share over the cycle, which we generally view as a three- to five-year horizon. So the accretion expectations we have shared this morning would be on top of that. So you can do your own math in terms of where that gets you as an EPS matter, as a quantum standpoint, but that is the expectation.

David J. Koning

Analyst, Robert W. Baird & Co., Inc.

Q

Okay, great. And just a follow-up. So you'll basically be at the industry level low in terms of leverage, which is great, of the scale players, two-and-half times levered, that gives you a ton of flexibility. Your cash flow over the next couple years is probably \$2 billion plus, is the First Call and then you kind of went through this more software type acquisitions with all that cash?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, Dave, Jeff. I'll start. The answer to your question is yes. So I think this is deliberately structured, as I'll talk, for a few reasons. Number one, it's a true partnership between Global Payments and TSYS, and that's really what that means. But number two and I said this in my prepared remarks, we do want to invest very substantially in the business going forward. So as we've said repeatedly over the last few years, horizontal deals like Heartland, horizontal deals like our merger and partnership today with TSYS don't preclude us doing more vertical software deals. I think the best way to think about that is what we did post Heartland with ACTIVE, SICOM, Central and AdvancedMD, but the other way to think about it is what you just add, which is our balance sheet and our ability to go into the market and invest in more vertical market software as well as expand into new geographies. So I think you're exactly right in how you framed it.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

And Dave, it's Cameron, the only thing I would add to that and I've mentioned some of this in my prepared remarks is our approach to integration is with an eye towards that as well. Obviously as I said, we don't want to spend the next several years trying to integrate two businesses that are very complementary. We want to do what we're going to do relatively quickly and be in a position to use that financial capacity we have. And you're right as it relates to the leverage profile of the combined business and it being best-in-class in the industry, we want to use that capacity to continue to grow and invest and expand our business, consistent with the strategy we've stated now for the past few years.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

A

I might just add to that too, David, that one of the tenets of our conversations over the past few months is how important investment grade was to the combined company and kudos to all the hard work of Cameron and Paul, Todd and the team to make happen.

David J. Koning

Analyst, Robert W. Baird & Co., Inc.

Q

Yeah. Thanks, guys. It's great.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, Dave.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Thanks, Dave.

Operator: Thank you. Our next question comes from Ashwin Shirvaikar with Citi. Your line is open.

Ashwin Vassant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Q

Thank you and my congratulations on the deal as well. It's great to see my number 1 and 2 ranked companies combined.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, Ashwin.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Thanks, Ashwin.

Ashwin Vassant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Q

I got to ask you, the revenue and cost synergy numbers, they seem achievable. But more detail on that would be great in terms of the cadence. I mean you're keeping both headquarters; it might preclude sort of a immediate big bang type of benefit. Can you talk about how we should think of the timeline of both the revenue and cost synergies?

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Sure, Ashwin, it's Cameron. I'll jump in and I'll ask Paul to add any color that he would like on the discussion. So – and generally what I would say is we expect those both revenue and expense synergies to be relatively evenly phased in over roughly a three-year time horizon. I agree with you, we think they're imminently achievable. We focus our efforts around expense synergy in particular to make sure that we're combining those areas of the company where there's significant overlap and realizing the best yield we can out of synergy opportunities, but again with an eye towards doing what we're going to do relatively quickly and moving forward as a combined company to continue to grow and invest for the future. As it relates to revenue synergies, again, we think there's tremendous opportunities by combining these two businesses that will yield incremental growth potential within the business on an organic basis. We expect that to be relatively evenly phased in over a three-year time horizon as well. I would note that in both cases, we've indicated that these are "at least" these levels of realization of synergies on both the revenue and expense side and I think we have a tremendous amount of confidence in our ability to do that.

Just one last comment on the expense, we generally see those being realized across sort of four primary categories. Obviously our merchant businesses have fairly significant overlap in the U.S. So, there'll be an opportunity there to realize synergies by combining obviously business operations, go-to-market strategies, et cetera. You'll have traditional operating savings that we'll be able to generate from a customer service, credit risk underwriting standpoint. We'll have technology opportunities to combine platforms for both authorization and back-end settlements as well as the ancillary technology systems that support those operations. And then lastly, we have the normal sort of corporate overhead and overlap that we would expect to realize synergies from that category as well. If I had to pinpoint a target, I'd say it's roughly evenly split, very roughly evenly split across those four categories.

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

A

Yeah. And the only thing I would add on top of that, Ashwin, is the mindset of getting these synergies and the pacing around that is also to preserve the core organic growth characteristics of both of these businesses. That's

exactly how we approach synergy attainment with TransFirst and Cayan; it's exactly how they approached with the acquisition of Heartland. So it's attaining those synergies, having a good line of sight, but also preserving the core growth tendencies of the business.

Ashwin Vasant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Q

Got it. Got it. And then the second question is, as I kind of look at the overall company now, you've got what 68% merchant, only 10%; so there is [indiscernible] (00:34:00) for consumer business. So strategically, can you talk about – does the consumer business still make sense and if so how does it make sense or does it provide sort of some kind of flexibility in the future – strategic flexibility to do something with that business?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, Ashwin, it's Jeff. I'll start. So what I would say is the answer is yes; it does do those things and the reason for that, as I mentioned in some of my prepared remarks, is that it provides Global Payments and TSYS, but really Global Payments with exposure to two significant areas of growth that we're not in today. The first is business-to-business. So we've been very successful, for example, at Heartland with our payroll business, which is something that Heartland had built over 20 years and we're very proud of, but we don't really have a major B2B initiative within Global Payments as you probably know, but there are significant B2B elements, pay card would be one example within Netspend in consumer solutions. So we think that's a very attractive place to be. There are elements of invoicing, payables automation for small to mid-sized businesses that I think Netspend sets up very nicely to take a look at.

[ph] The same (00:35:07) is true on the person-to-person side; that is not something Global Payments has done historically. I think Netspend, as it moves increasingly to mobile wallets and smartphone and integration with how they go about their business, positions us really nicely to tap into that avenue of growth. So we're very pleased speaking from the Global Payments side with our diligence and review on consumer solutions and we're very excited about where we can take the combined businesses together.

Ashwin Vasant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Q

Great. Thank you, guys.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, Ashwin.

Operator: Our next question comes from Andrew Jeffrey with SunTrust. Your line is open.

Andrew Jeffrey

Analyst, SunTrust Robinson Humphrey, Inc.

Q

Hi good morning. Appreciate you taking the question. Jeff, I guess mine is a big picture sort of competitive question, with the three big mergers and partnerships that we've seen this year in traditional merchant acquiring, it feels like there's a little bit of a bifurcation that's taking place between sort of, I'll call, legacy without being pejorative and next-gen tech stacks. Is that – I mean when you talk about timing and the shift in the competitive

environment, is that what you have in mind? Do we have this sort of division where these two sides are sort of lining up and going after each other competitively now, not only in the U.S. but feels like increasing globally too?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, I think you're exactly right. As we said before and prior to this announcement today, Andrew, we think that the world is moving increasingly toward more technology adoption. I think those other two transactions validate our thesis on what you just said, which we share. I think our view of our partnership with TSYS is that on a combined basis, we will have the largest integrated or the leading integrated payments business, I call it \$900 million of revenue. We'll have the leading ecommerce and omnichannel business also at \$900 million of revenue. And in faster growth markets, we're going to take our number of markets just speaking from global physically from 32 to 38 and virtually from 60 to 100. So I think taking that thesis to its extreme, which I agree with, what I would say is this partnership and this merger and combination with TSYS actually accelerates that division between folks who are really selling truly commoditized processing as well as mortgages and bank accounts and everything else and those of us like Global Payments and TSYS who are really focused on accelerating our migration towards technology enablement. By the way, to step back, both TSYS and Global Payments have plenty of financial institutions. I mentioned in our script at the beginning of the call, 1,300 between the two of us. The difference though is what we're selling into those financial institutions; so in the case of TSYS, TS2, leading cutting-edge software. In the case of Global Payments, integrated, ecomm, exposure to faster growth geographies outside the United States; that's the part that's distinctive rather than pure competition with a legacy provider.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

And, Andrew, it's Cameron. The only thing I would add to that, again echoing going back to earlier comments, the whole transaction was structured in a way to allow us to continue to exploit that trend. Obviously, we have the balance sheet capacity to be able to continue to invest to drive incremental growth in the business over time to make sure that we have, again, the opportunity to invest in new technology, new capability, new product, next-generation technology environments to continue to execute and lead the industry the way that we believe we both have over the last several years.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

A

And Andrew, I just might add, this is Troy, by the way, that back to your part of the question around our other competitors and some of the transactions that have transpired over the past three or four months, as we've indicated earlier, this combination of Global Payments and TSYS truly is payments-focused, a pure-play, technology-enabled, software-driven, payment-focused combination. So we're not burdened with any of the other priorities that perhaps some of our other competitors might be burdened with.

Andrew Jeffrey

Analyst, SunTrust Robinson Humphrey, Inc.

Q

Okay. That's helpful. Thanks. And just as a follow-up, without trying to get too nuanced here, Jeff, obviously the vertical market strategy, especially in restaurants, has been I think well-articulated. One of the things I think some of the software-focused competition out there is trying to do is monetize the ecosystem beyond payments. Any thoughts on that as far as opening up APIs, accounting integrations, capital, things like that that enhance maybe the SaaS aspect or the non-payment-specific aspect of your technology?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah. The answer is absolutely and I do think, as Cameron said, that's one of the great cross-sell opportunities for the two of us going both ways actually as you think about Vital POS and you think about Heartland Register. But if you go back to the call we had, Andrew, a few weeks ago in early May on restaurants, which you alluded to, one of the things that we put on those slides and put on our prepared remarks is we are selling an ecosystem; so I don't know who came first in doing this, whether it was us or someone like Square but we've been selling payroll to merchants for a very long time.

Say you can walk into a small merchant, for example, you want to sign up at Heartland and using your phone, can underwrite that merchant, you can offer payroll services today, you can also offer lending, the difference with us it's not on our balance sheet and we're not taking credit risk, but we tap into APIs to 60-plus lenders and we're making loans on that today at Global Payments through Heartland.

So it's very much an ecosystem. We try to make that point in the restaurant presentation, but a cross-sell of all those services that you would think are important including data and analytics is something we've done; we're very proud of and is also a fantastic opportunity. If you think about, in the case of TSYS and Global Payments, we're not big at legacy global in specialty retail. Conversely, TSYS is big there, but not that big in restaurant. So our ability to cross-sell what you just said; payroll, data and analytics, lending to both sides is a key source of the revenue synergies that Cameron alluded to.

Andrew Jeffrey

Analyst, SunTrust Robinson Humphrey, Inc.

Q

Appreciate it. Thank you.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, Andrew.

Operator: Our next question comes from Bryan Keane with Deutsche Bank. Your line is open.

Bryan C. Keane

Analyst, Deutsche Bank Securities, Inc.

Q

Hi, guys. Good morning. Just wanted to ask thinking big picture, Jeff, the focus was on the verticalized software strategy. What did this deal do to help enhance that? And then bringing in the issuing and consumer business, does that change a little bit of the focus of that strategy? I know you talked about maybe getting into more acquisitions thereafter in verticalized software strategy, but just thinking about the combined entity, what that means?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, I think it furthers the strategy, to be honest. Let me give you a few examples, Bryan. So let's just go with our partnered software business first and then come back to own and card issuing a second. But on the partnered side, so OpenEdge today has 2,000 ISVs and it's in 70 vertical markets. Cayan has 500 ISVs and is in 70 vertical markets. There's not a lot of overlap. So in terms of partnered software, by way of vertical software markets, Bryan, now, we're in 120 with 2,500 ISV partners between the two of us. So clear extension of that business and

we also have about \$900 million of revenue, making us the leading provider of integrated payments globally. Full stop. So I think it's very much consistent with our thesis around partnered software, point number one.

Point number two, on owned software, as you know, Global Payments' standalone at, call it \$800 million-ish of revenue in standalone software prior to this transaction, we view the card issuing business and especially TS2, which I described in my prepared remarks is a leading edge software business of course it is in its own right along with Prime, which is a software business outside the United States. You put those two things together and we think we've got a really big lead and you saw us in our release in software, in payments for merchants and financial institutions with over 6,000 technologists at the combined companies putting it together. Lastly, I'd say in terms of e-commerce and omni-channel solutions, we're looking at \$900 million of revenue there too across 100 countries. So I think the answer to your question is whether it's on the acquiring side, whether it's on the issuing side, there's plenty of opportunity for us to continue to exploit vertical market software-based solutions.

The last thing I'd mention is that while this deal doesn't involve a combination of debit networks which some of the other deals did, our ability to combine the issuing business at TS2 and at TSYS, which is a number one market share in the United States, Canada, the United Kingdom and number two in Western Europe and number one in China, with our 3.5 million merchant locations on the acquiring side, it enables us to emulate many of the aspects of a virtual closed-loop as well as the ability to provide strong customer authentication, which is coming to Europe, in the EU in September of 2019. So, our ability to take these two businesses, Brian, and put them together, I think accelerates our partnered and owned software strategies. It accelerates our e-commerce strategies by adding things like payment facilitation that TSYS is strong in and it also accelerates our own software strategy in the form of the card issuing business.

Bryan C. Keane

Analyst, Deutsche Bank Securities, Inc.

Q

Okay. That's helpful. And then just as a follow-up thinking about the significant revenue synergies. I know you guys are talking about a \$100 million plus. Can you just give us some thoughts on what some of the upside opportunities are on the revenue side?

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Hey Bryan, it's Cameron. I'll jump in on that and I'll ask Paul to chime in as well. I went through a number of examples in my prepared comments as it relates to where we see the revenue synergy potential for the combined business. So specifically, I'll start with the FI opportunity that we see in terms of both cross-selling, issuing solutions into our existing base of FI relationships, particularly outside of the U.S., where we see substantial opportunity in markets where TSYS may not be as prevalent today and vice versa of course. TSYS has fantastic relationships with some of the most premier financial institutions outside of the U.S. as well that will make excellent potential partners for us on the merchant acquiring side either as referral partners or certainly the opportunity to create more joint ventures as we've done with Caixa, Erste, BPI, et cetera over the course of time. So we're very excited about the potential in that area and I would say that's probably the most, as we think about quantum of opportunity around revenue synergies, we certainly see the most opportunities on that front.

But I also don't want to lose sight to maybe the smaller more tactical opportunities that exist to cross-sell products and solutions across our existing book of SMB customers. Obviously, Global Payments today has an extensive base of SMB customer locations in the United States. TSYS also has an existing base of roughly 800,000 SMB locations in the United States. Our ability to sell complementary products that we each have strength in across those base of business customers today is very exciting. Those are small ticket items each individually. But when you aggregate it across almost 2 million merchant locations in the United States, the numbers start to add up very

quickly. Whether it's selling pay card solutions into our base of customers, our payroll solutions into their base of customers, data analytic capabilities, et cetera, we think there's an immense opportunity on that front as well that we're particularly excited about.

I could probably spend a lot more time digging into individual examples, but I think that covers the landscape in terms of the broad outlook that we have and the broad categories of revenue synergy potential we see in the business. And I frankly think the \$100 million is obviously a very achievable target and we're going to look to do much better than that over time.

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

A

Yeah, and the only thing I would add on top of that is if you go back in time and you listen to the way we talk about our cross-sell opportunity amongst our three segments, all of that strategic thesis is intact. But it's just this transaction puts those on steroid because some of the capabilities that we lacked particularly on the international merchant acquiring side to sell into our issuing clients on the international side, we now have – we'll have capabilities to do that. So this is very consistent with our cross-sell activities that we had underway, it just puts more thrust behind those activities.

Bryan C. Keane

Analyst, Deutsche Bank Securities, Inc.

Q

All right. That's very helpful color. Congrats on the deal guys.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks Bryan.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Thanks Bryan.

Operator: Our next question comes from David Togut with Evercore ISI. Your line is open.

David Mark Togut

Analyst, Evercore ISI

Q

Good morning and congratulations on the transaction.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, David.

Cameron M. Bready

Senior Executive Vice President & Chief Financial Officer, Global Payments, Inc.

A

Thanks, David.

David Mark Togut

Analyst, Evercore ISI

Q

Jeff, you called out the opportunity in virtual closed-loop. Can you talk a little bit about this in terms of operationally what's required to close the loop between your combined franchises in card issuing and merchant acquiring? And then could you quantify either from a unit cost standpoint or other metric, what this could mean to the combined companies?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, David. I'll start and I'll ask Paul and Cameron, Troy to comment if they like. So what I would say is this is something we already do at Global Payments. So if you look at our business in Spain with Caixa, where we have 28% of the acquiring market and our joint venture with Commercia and Caixa has probably 30% of the issuing market. I'll give you an example, a salesperson [ph] could have walked (00:48:29) down the street for us in Barcelona and because we have integration between the issuing and acquiring side, I can know where the cards are being used at which merchant, can know if that merchant is a customer of Commercia, can offer distinctive loyalty propositions in September of 2019 with strong customer authentication coming, can offer better authentication on e-commerce transactions. So just to give you an answer, we're already doing this at Global Payments in Spain.

This transaction gives us the opportunity to do the same thing in the United States, Canada and the United Kingdom because of the nature of the card issuing business at Total System. So I think the way to think about your quantification question, David, is in the aggregate, those revenue synergies of at least \$100 million are about a point of incremental growth. So, I think anything more than that is nice to see, it's kind of hard to pin it down today, it's what that would be, but I think on a business that's going to do nearly \$9 billion of revenue and incremental point of growth is a pretty good thing.

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

A

And I just want to add to that, David, that from a TSYS perspective, not unlike Jeff and Global Payments, we already do some of that today with some of our large retailers. And we'll also be doing it later on this year with a very large retailer that will be bringing on board. So, it's not foreign to us either and it is something that I think will continue to take a very serious in-depth view.

David Mark Togut

Analyst, Evercore ISI

Q

Appreciate that. And then as my follow up. Jeff, you've had a lot of success with bank partnerships like HSBC, la Caixa, Erste Bank. When you look at TSYS' strength in card issuing both in the U.S. and internationally, do you see new bank partnership opportunities in the merchant acquiring business?

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, the answer to that is absolutely, David, of course. You know we just closed our most recent one in January of 2019 with HSBC in Mexico, as an aside TSYS is already in Mexico. So, there is a great area of overlap. So, the answer to your question is, absolutely. So, I think as Cameron mentioned in his prepared remarks, David, a lot of times when we look at banks and bank opportunities outside the United States, they come with issuing as well as acquiring. So, in the case of Caixa, we actually separated that issuing versus acquiring. But a lot of things that we

look at, and by the way per Troy a lot of things that TSYS looks at outside the United States actually require both issuing as well as acquiring services. As you know that's a bit of a hole for Global Payments today on the issuing side prior to today's announcement. The reciprocal of course is true at TSYS.

So, we feel very, very confident in our ability together to get more bank JVs. A great example would be in Latin America where TSYS' card issuing software called Prism is already being sold at many, many financial institutions that we're not in, in Latin America. So, I do think you're right in that thesis. We've each been successful historically with what we've been selling but there's no doubt given how the market has evolved outside the United States that it's very hard to say that you'll be successful long-term without both issuing, processing as well as acquiring.

David Mark Togut

Analyst, Evercore ISI

Q

Understood. Congrats, again.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, David.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

A

Thanks, David.

Operator: Our next question comes from James Friedman with Susquehanna. Your line is open.

James E. Friedman

Analyst, Susquehanna International Group, LLP

Q

Hi. Let me echo the congratulations. I was curious and encouraged to ask by other investors, if you could talk a little bit about how the transaction came to be? I think, Troy, in one of your comments you mentioned going back a couple of months. Any context on that would be helpful.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Well, I'll start Jamie...

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

A

Go ahead, Jeff.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Go ahead, go ahead.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

A

Well, I'd be glad to start since you mentioned something I said earlier. Look, and I think Jeff talked about this earlier as well, Jamie. I'd say, over the past decade even prior to perhaps Jeff coming on board at Global Payments, we've had general conversations about the art of the possibility of putting these two great Georgia companies together for all the reasons that we've talked about. Most recently, some may think it's a reactive situation, Jeff, and I do not view it that way at all. We've been having these conversations for a long time. We believe we can take advantage of disruption in the marketplace. Like a lot of people have written, we're probably the two largest pure play payment players left standing out there. And we felt it very important to be able to carve out our own destiny, if you will, and pick our dance partner. And so, I think all of those things came into play and as I said in my prepared remarks that the timing is right and the partner is right. Jeff, you might want to add to that.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, I think Troy is exactly right, Jamie. What I would add to that only is that there's probably never been more innovation than we're seeing today in payments just look, for example, at contactless here in the United States, look at QR codes, for example in Asia. And therefore, the ability to have enhanced scale, like I've been talking for a really long time. The ability to have enhanced scale as a combined business with 50 billion transactions and \$2.5 billion of free cash flow, as those opportunities continue to evolve especially globally, just requires more scale to make the investments we need to make which is part of the reason the deal is structured the way it is.

So, while we've been talking for a long time and we've all been thinking this makes a lot of sense, I think certainly the environment has evolved such to a place that it's important for us to be able to continue to grow the company the way we've grown it, accelerate by investing in new products and for that it's important to have scale.

M. Troy Woods

Chairman, President & Chief Executive Officer, Total System Services, Inc.

A

And I think I would just add, Jamie, on that, you've heard us talk for the last six months about having the right scale and this transaction provides for the right scale.

James E. Friedman

Analyst, Susquehanna International Group, LLP

Q

Okay. And in my follow-up, Jeff, in your comments, your observation about TSYS, you talked about their strength as well as yours in China. Do you guys have any early thoughts on the China UnionPay Data, CUP Data, asset? Is that something that you've looked at? What do you see is the capacity for that? I'd be interested from your perspective.

Paul Michael Todd

Chief Financial Officer & Senior Executive VP, Total System Services, Inc.

A

Yeah, Jamie, I'll take that. I mean, we obviously have a great relationship with our data partners. And we look forward to the capability that this transaction brings to expand on that partnership.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Yeah, I would just say, I agree with Paul completely, it's Jeff, Jamie, that obviously we have a large presence not just in Mainland China at Global Payments but in Greater China and across Asia-Pacific. This is another [ph] grey (00:55:05), this is not a business we are in, so but we have a very good relationship with the China UnionPay not

surprisingly at Global Payments. So, I view this as another core strength that we'll have together to be even more confident in our ability to execute well across all of Asia and especially in China.

James E. Friedman

Analyst, Susquehanna International Group, LLP

Okay. Thank you, guys. Congratulations.

Q

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

Thanks, Jamie.

A

Operator: Our last question comes from Brett Huff with Stephens. Your line is open.

Brett Huff

Analyst, Stephens, Inc.

Good morning, guys, and again congrats. This is going to be exciting. Just a couple quick follow-ups. Jeff, I think it was you who mentioned better authorization rates, I think, in your conversation of e-com. Can you talk a little about that? Obviously, there's lots of discussion of that around the two other deals that have been noted.

And then, can you also talk about how this positions you competitively for either new or exist – taking over new or existing JV relationships here in the U.S. how this combination kind of positions you better for that? Thank you.

Q

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

Yeah. So both great questions. So, I'll start on the first one and then I'll ask others to comment on the second. So, as you probably know, Brett, by combining our TSYS' issuer related business, which are number one across most of the markets that we're in, in combination with our acquiring assets, we're actually able to provide the same type of functionality that the EU is focused on which is to say strong customer authentication coming in September of 2019. That is to say, in certain transactions when you buy something online in the EU, you're going to get a text on your cell phone saying is this you, and that's essentially a key use case for strong customer authentication.

Well, of course, by marrying the issuer processing, which of course TSYS has at scale in those markets, with our acquiring assets which TSYS [ph] does not (00:56:48) outside the United States they were acquiring, we're actually able to do that ourselves, meaning internally within the four walls of TSYS and Global Payments. So, we are ahead of where I think the world is going and that I think provides a very good example of a very good use case. Now what that targeted at that target by the EU at reducing the rates of fraud, particularly for online transactions by authenticating that's actually you as a consumer to buy it. So, I think that puts us in a really good position, well ahead of where I believe our competitors are in markets like the EU that are large, but that actually care about that kind of technological evolution.

And second question as it relates to joint ventures, I think the answer is just simply yes. But we're going about at the same way in the context of Global and TSYS is, we're going to lead with distinctive technologies, distinctive solutions and distinctive sales distribution like Heartland. So, I'll just use Mexico is one example, not U.S., but a recent JV. So, what are we doing there and how do we win with HSBC at Global, we combine Heartland's sales distribution, which is to say commission-only sales reps who are on our payroll. We combine that with HSBC's franchised business, our products, our solutions and our technology. So, that's very different than [ph] handing away a big, big (00:57:59) check and hope that the thing actually grows. So, I think both we and TSYS share a

A

point of view that we can add a lot of value to the 1,300 FIs and some new ones that are out there. We also have the added benefit of TSYS of course having an enormous issuing business and FI presence already, which I think better positions the combined company and win those JVs in the first place. But if we do them, we're going to do them in the right way, which is in a way that's profitable for TSYS and Global Payments and it's profitable that it grows for the financial institutions. You already know the history of what the large FI JVs look like in the United States, that's in start comparison to what we've been doing outside the United States.

Brett Huff

Analyst, Stephens, Inc.

Q

Great. Thanks, again.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

A

Thanks, Brett.

Jeffrey S. Sloan

Chief Executive Officer & Director, Global Payments, Inc.

Well, on behalf of Global Payments and TSYS, thank you very much for joining us this morning.

Operator: Ladies and gentlemen, this concludes today's conference. Thank you for your participation and have a wonderful day.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2019 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.