

A thick blue line graphic that starts as a vertical line on the left, then turns 90 degrees to become a horizontal line. It features a downward-pointing V-shaped notch in the middle of the horizontal section.

2018 Second Quarter

July 24, 2018



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)

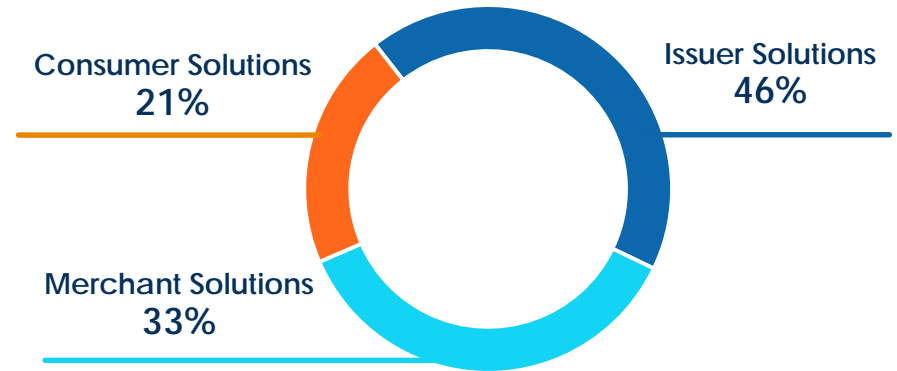
QTD 2018	QTD 2017	Percent Change		YTD 2018	YTD 2017	Percent Change
\$1,007,580	\$1,222,375	(17.6%)	Total Revenues	\$1,994,750	\$2,407,100	(17.1%)
956,548	844,068	13.3	Net Revenue ⁽¹⁾	1,892,045	1,676,960	12.8
345,021	307,698	12.1	Adjusted EBITDA ⁽¹⁾	675,943	594,935	13.6
\$1.11	\$0.85	30.0	Adjusted Diluted EPS ⁽¹⁾	\$2.24	\$1.68	33.7

(1) Non-GAAP financial measure; See Appendix

Consolidated Highlights

- Strong organic net revenue growth
- Results exceeded our expectations
- Increasing investments for growth

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



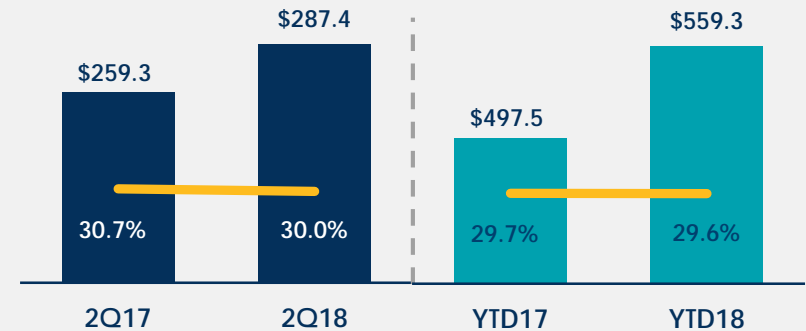
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



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

(\$ in millions)



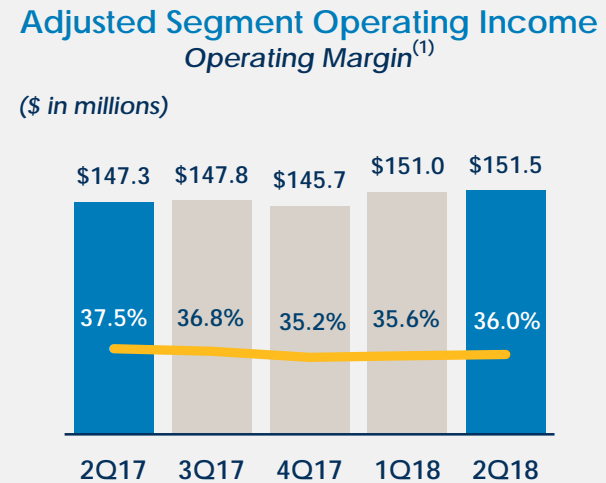
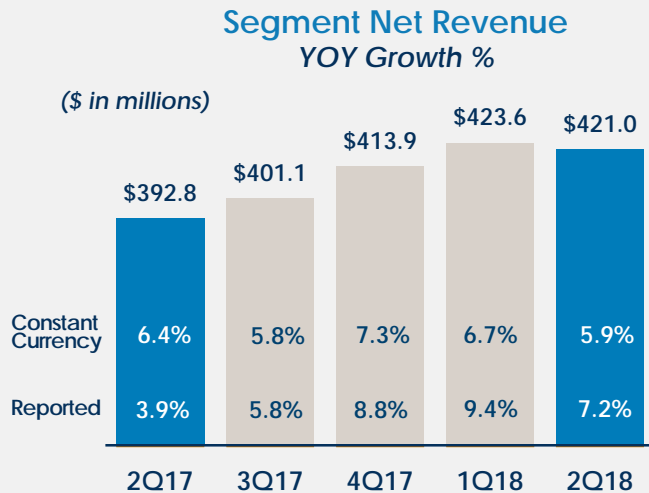
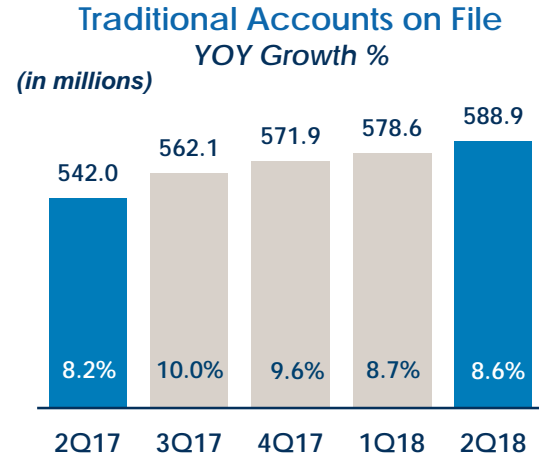
(1) Non-GAAP financial measure; See Appendix

(2) External revenue

(3) Net revenue

Issuer Solutions Segment Highlights

- Record adjusted segment operating income
- Record traditional accounts on file and transaction volume
- Solid pipeline of new business and product expansion

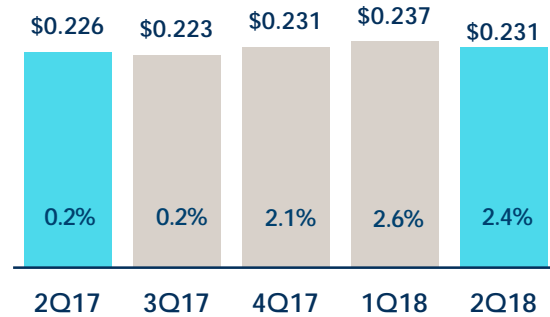


(1) Segment Net Revenue

Merchant Solutions Segment Highlights

- Completed acquisition of iMobile3 with continued progress on Cayan integration
- Double digit organic net revenue growth for 3 consecutive quarters
- Record net revenue and adjusted segment operating income

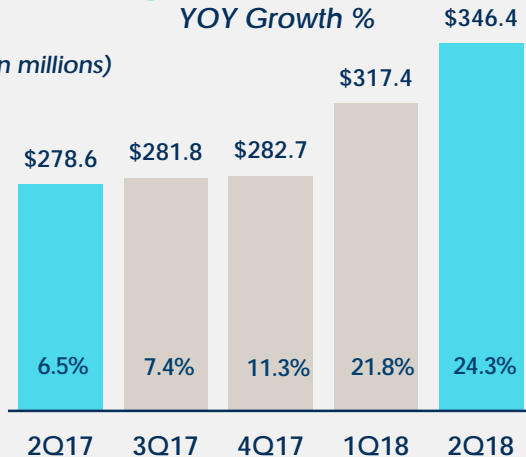
Segment Net Revenue per Transaction
YOY Growth %



Segment Net Revenue

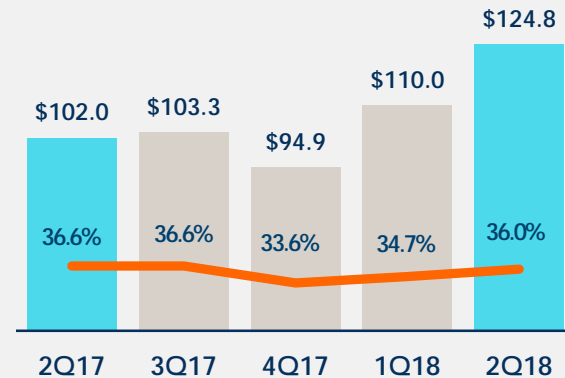
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income
Operating Margin⁽¹⁾

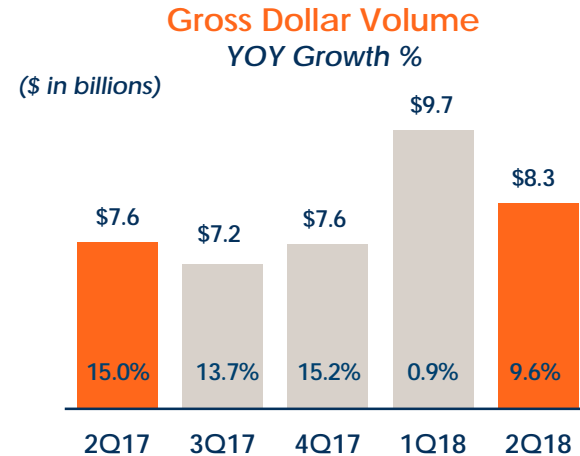
(\$ in millions)



(1) Segment Net Revenue

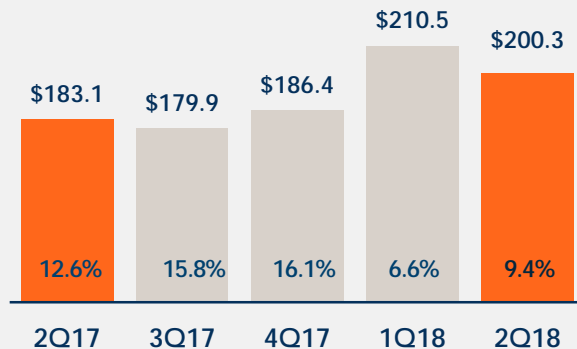
Consumer Solutions Segment Highlights

- Signed renewals with Family Dollar and Staffmark
- DDA product performing well
- Strong organic net revenue growth



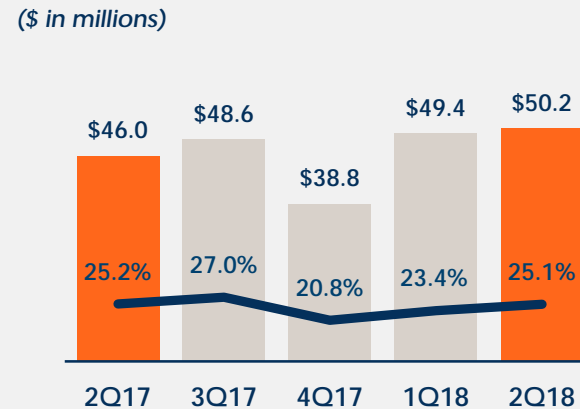
Segment Net Revenue
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income
Operating Margin⁽¹⁾

(\$ in millions)



(1) Segment Net Revenue

Segment Operating Margin & Adjusted Operating Margin

Three Months Ended June 30, 2018

<i>(in thousands)</i>	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
Issuer Solutions	\$151,490	\$421,015	36.0%
Merchant Solutions	124,817	346,389	36.0%
Consumer Solutions	50,232	200,293	25.1%
Intersegment	--	(11,149)	
Corporate administration excluding share-based compensation	(39,166)	--	
Total	\$287,373	\$956,548	30.0%

Segment Operating Margin & Adjusted Operating Margin

Six Months Ended June 30, 2018

<i>(in thousands)</i>	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
Issuer Solutions	\$302,481	\$844,589	35.8%
Merchant Solutions	234,831	663,792	35.4%
Consumer Solutions	99,585	410,781	24.2%
Intersegment	--	(27,117)	
Corporate administration excluding share-based compensation	(77,567)	--	
Total	\$559,330	\$1,892,045	29.6%

2018 Revised Guidance*

(in millions, except per share data)

	Range ⁽¹⁾		Range Percent Change			
Revenue:						
Total revenues (GAAP)	\$3,940	to	\$4,040	(20%)	to	(18%)
Net revenue⁽²⁾ (non-GAAP)	\$3,740	to	\$3,840	10%	to	13%
Earnings per share:						
Diluted EPS (GAAP)	\$3.02	to	\$3.12	(4%)	to	(1%)
Adjusted diluted EPS attributable to TSYS common shareholders⁽²⁾ (non-GAAP)	\$4.30	to	\$4.40	28%	to	31%
Weighted average diluted shares outstanding	184					

(1) The estimated impact of adopting ASC 606 in TSYS' 2018 Outlook is as follows: Total revenues (\$1,700) to (\$1,675), Net revenue (\$69) to (\$62), Diluted EPS and Adjusted diluted EPS (\$0.04) to (\$0.03). The most significant impact of adopting ASC 606 in 2018 is primarily the result of gross versus net presentation of interchange and payment network fees. In 2018, these fees collected on behalf of the payment networks and card issuers will be presented "net" of the amounts paid to them, as opposed to the "gross" presentation for certain of these fees in 2017.

(2) Non-GAAP financial measure; See Appendix

*See guidance assumptions in Appendix



Q&A

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Thank You



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Appendix

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Appendix: Accounts on File Portfolio Summary

<i>(in millions)</i>	June 2018	June 2017	% Change	June 2018	March 2018	% Change
Consumer	493.8	457.0	8.1	493.8	486.5	1.5
Commercial	56.8	51.5	10.1	56.8	55.2	2.8
Other	38.3	33.5	14.3	38.3	36.9	3.8
Traditional AOF	588.9	542.0	8.6	588.9	578.6	1.8
Prepaid*/Stored Value	37.0	50.6	(26.9)	37.0	38.7	(4.4)
Government Services	97.4	91.3	6.7	97.4	96.5	0.9
Commercial Card Single Use	106.0	89.7	18.1	106.0	97.5	8.7
Total AOF	<u>829.3</u>	<u>773.6</u>	<u>7.2</u>	<u>829.3</u>	<u>811.3</u>	<u>2.2</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			Six Months Ended	
6/30/18	6/30/17		6/30/18	6/30/17
\$1,007,580	\$1,222,375	Total revenues	\$1,994,750	\$2,407,100
51,032	378,307	Less: reimbursable items, interchange and payment network fees	102,705	730,140
<u>\$956,548</u>	<u>\$844,068</u>	Net revenue	<u>\$1,892,045</u>	<u>\$1,676,960</u>

Constant Currency Total Revenues and Net Revenue

Appendix: Non-GAAP Reconciliation

(in thousands)	Three Months Ended		Percentage Change	Six Months Ended		Percentage Change
	6/30/18	6/30/17		6/30/18	6/30/17	
Consolidated:						
Constant currency ⁽¹⁾	\$1,002,182	\$1,222,375	(18.0%)	\$1,978,164	\$2,407,100	(17.8%)
Foreign currency impact ⁽²⁾	5,398	--		16,586	--	
Total revenues	\$1,007,580	\$1,222,375	(17.6%)	\$1,994,750	\$2,407,100	(17.1%)
Net revenue:						
Constant currency ⁽¹⁾	\$951,502	\$844,068	12.7%	\$1,876,533	\$1,676,960	11.9%
Foreign currency impact ⁽²⁾	5,046	--		15,512	--	
Net revenue	\$956,548	\$844,068	13.3%	\$1,892,045	\$1,676,960	12.8%
Issuer solutions:						
Constant currency ⁽¹⁾	\$416,013	\$392,760	5.9%	\$829,083	\$780,015	6.3%
Foreign currency impact ⁽²⁾	5,002	--		15,506	--	
Net revenue	\$421,015	\$392,760	7.2%	\$844,589	\$780,015	8.3%

(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.

Adjusted EBITDA

Appendix: Non-GAAP Reconciliation

(in thousands)	Three Months Ended		Six Months Ended	
	6/30/18	6/30/17	6/30/18	6/30/17
Net income (GAAP) (a)	\$142,435	\$116,512	\$285,537	\$223,619
Adjust for:				
Less: Equity in income of equity investments	(12,322)	(9,513)	(22,929)	(22,422)
Less: Income tax expense	37,415	56,207	55,549	99,289
Add: Interest expense, net	41,119	29,537	77,772	59,310
Add: Depreciation and amortization ⁽¹⁾	104,290	99,359	208,679	203,537
Add: Client incentive/contract asset amortization ⁽¹⁾	6,712	--	13,584	--
Add: Contract cost asset amortization ⁽¹⁾	8,511	--	19,238	--
Less: (Gain)/loss on Foreign currency translations	(535)	513	(107)	824
Less: Other nonoperating (income)/ expenses	586	(8)	1,147	(189)
Add: Share-based compensation	14,229	11,008	20,524	20,055
Add: Cayan and TransFirst M&A expenses ⁽²⁾	2,581	4,166	16,949	9,034
Add: Litigation, claims, judgments or settlements	--	(83)	--	1,878
Adjusted EBITDA (non-GAAP) (b)	\$345,021	\$307,698	\$675,943	\$594,935
Total revenues (c)	\$1,007,580	\$1,222,375	\$1,994,750	\$2,407,100
Net income margin on total revenues (GAAP) (a)/(c)	14.1%	9.5%	14.3%	9.3%
Net revenue (d)	\$956,548	\$844,068	\$1,892,045	\$1,676,960
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	36.1%	36.5%	35.7%	35.5%

(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

	Three Months Ended		Six Months Ended	
	6/30/18	6/30/17	6/30/18	6/30/17
<i>(in thousands, except per share data)</i>				
Net income attributable to TSYS common shareholders: (GAAP) (a)	\$142,435	\$115,014	\$284,276	\$220,882
Adjust for:				
Add: Acquisition intangible amortization	61,830	50,783	124,818	105,785
Add: Share-based compensation	14,228	11,009	20,522	20,051
Add: Cayan and TransFirst M&A expenses ⁽¹⁾	2,581	4,149	16,949	8,973
Add: Litigation, claims, judgments and settlements	--	(83)	--	1,878
Less: Tax impact of adjustments ⁽²⁾	(17,278)	(22,657)	(35,182)	(47,089)
Adjusted earnings (non-GAAP) (b)	\$203,796	\$158,215	\$411,383	\$310,480
Weighted average diluted shares outstanding (c)	183,575	185,286	183,456	185,122
Diluted EPS – Net income attributable to TSYS common shareholders (GAAP) (a) / (c)	\$0.78	\$0.62	\$1.55	\$1.19
Adjusted diluted EPS- Net income attributable to TSYS common shareholders (non-GAAP) (b) / (c)	\$1.11	\$0.85	\$2.24	\$1.68

(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) 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.

2018 Revised Guidance*

(in millions, except per share data)

	Range ⁽¹⁾		Range Percent Change			
Total revenues (GAAP)	\$3,940	to	\$4,040	(20%)	to	(18%)
Less: reimbursable items, interchange and payment network fees	200	to	200			
Net revenue (non-GAAP)	\$3,740	to	\$3,840	10%	to	13%
Diluted EPS (GAAP)	\$3.02	to	\$3.12	(4%)	to	(1%)
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and the Cayan and TransFirst M&A expenses, less the tax impact of adjustments	1.28	to	1.28			
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$4.30	To	\$4.40	28%	to	31%
Weighted average diluted shares outstanding	184					

(1) The estimated impact of the adoption of ASC 606 in TSYS' 2018 Outlook is as follows: Total revenues (\$1,700) to (\$1,675), Net revenue (\$69) to (\$62), Diluted EPS and Adjusted diluted EPS (\$0.04) to (\$0.03). The most significant impact of adopting ASC 606 in 2018 is primarily the result of gross versus net presentation of interchange and payment network fees. In 2018, these fees collected on behalf of the payment networks and card issuers will be presented "net" of the amounts paid to them, as opposed to the "gross" presentation for certain of these fees in 2017.

(*) See guidance assumptions

Appendix: 2018 Revised 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, the implementation of ASC 606 or the acquisition of Cayan; and
- The economy will not worsen.
- Additionally, the impact of future share repurchases is not included.