

TSYS
Financial Highlights
(unaudited)
(in thousands, except per share data)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2018	2017	Percent Change	2018	2017	Percent Change
Total revenues	\$ 1,018,090	1,273,289	(20.0) %	\$ 4,028,211	4,927,965	(18.3) %
Cost of services	636,936	939,106	(32.2)	2,492,482	3,577,320	(30.3)
Selling, general and administrative expenses	171,368	160,262	6.9	712,991	616,601	15.6
Total expenses	<u>808,304</u>	<u>1,099,368</u>	(26.5)	<u>3,205,473</u>	<u>4,193,921</u>	(23.6)
Operating income	209,786	173,921	20.6	822,738	734,044	12.1
Nonoperating expenses	<u>(42,868)</u>	<u>(27,702)</u>	(54.7)	<u>(162,974)</u>	<u>(116,482)</u>	(39.9)
Income before income taxes and equity in income of equity investments	166,918	146,219	14.2	659,764	617,562	6.8
Income tax expense/(benefit)	40,341	(88,039)	nm	127,003	65,878	92.8
Income before equity in income of equity investments	<u>126,577</u>	<u>234,258</u>	(46.0)	<u>532,761</u>	<u>551,684</u>	(3.4)
Equity in income of equity investments, net of tax	9,843	9,613	2.4	45,156	40,532	11.4
Net income	<u>136,420</u>	<u>243,871</u>	(44.1)	<u>577,917</u>	<u>592,216</u>	(2.4)
Net income attributable to noncontrolling interests	-	(1,663)	100.0	(1,261)	(6,031)	79.1
Net income attributable to TSYS common shareholders	<u>\$ 136,420</u>	<u>242,208</u>	(43.7) %	<u>\$ 576,656</u>	<u>586,185</u>	(1.6) %
Earnings per share (EPS):						
Basic EPS	<u>\$ 0.75</u>	<u>1.33</u>	(43.4) %	<u>\$ 3.17</u>	<u>3.19</u>	(0.7) %
Diluted EPS	<u>\$ 0.74</u>	<u>1.31</u>	(43.4) %	<u>\$ 3.14</u>	<u>3.16</u>	(0.8) %
Weighted average shares outstanding: (includes participating securities)						
Basic	<u>181,844</u>	<u>182,661</u>		<u>182,066</u>	<u>183,745</u>	
Diluted	<u>183,660</u>	<u>184,639</u>		<u>183,919</u>	<u>185,430</u>	
Dividends declared per share	<u>\$ 0.13</u>	<u>0.13</u>	-	<u>\$ 0.52</u>	<u>0.46</u>	13.0 %
<u>Non-GAAP measures:*</u>						
Net revenue	<u>\$ 959,261</u>	<u>870,613</u>	10.2 %	<u>\$ 3,815,900</u>	<u>3,400,332</u>	12.2 %
Adjusted EBITDA	<u>\$ 346,022</u>	<u>293,277</u>	18.0 %	<u>\$ 1,370,453</u>	<u>1,197,673</u>	14.4 %
Adjusted earnings	<u>\$ 197,497</u>	<u>151,036</u>	30.8 %	<u>\$ 821,292</u>	<u>624,183</u>	31.6 %
Adjusted diluted EPS	<u>\$ 1.08</u>	<u>0.82</u>	31.5 %	<u>\$ 4.47</u>	<u>3.37</u>	32.7 %

* See reconciliation of non-GAAP measures.

nm = not meaningful

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TSYS
Segment Breakdown
(unaudited)
(in thousands)

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2018	2017	Change		2018	2017	Change	
			\$	%			\$	%
Adjusted operating income by segment:								
Issuer Solutions (a)	\$ 151,804	145,671	6,133	4.2 %	\$ 608,392	574,580	33,812	5.9 %
Merchant Solutions (b)	124,213	94,915	29,298	30.9	484,197	391,466	92,731	23.7
Consumer Solutions (c)	44,384	38,831	5,553	14.3	193,472	182,082	11,390	6.3
Corporate admin and other	(33,691)	(37,395)	3,704	9.9	(151,167)	(148,564)	(2,603)	(1.8)
Adjusted segment operating income (d)	286,710	242,022	44,688	18.5	1,134,894	999,564	135,330	13.5
Less:								
Share-based compensation	15,843	13,946	1,897	13.6	48,758	42,409	6,349	15.0
Cayan and TransFirst M&A and integration expenses	6,714	3,281	3,433	nm	26,550	13,367	13,183	98.6
Litigation, claims, judgments or settlements	-	43	(43)	(100.0)	-	1,947	(1,947)	(100.0)
Acquisition intangible amortization	54,367	50,831	3,536	7.0	236,848	207,797	29,051	14.0
Operating income	209,786	173,921	35,865	20.6	822,738	734,044	88,694	12.1
Nonoperating expenses	(42,868)	(27,702)	(15,166)	(54.7)	(162,974)	(116,482)	(46,492)	(39.9)
Income before income taxes and equity in income of equity investments	\$ 166,918	146,219	20,699	14.2 %	\$ 659,764	617,562	42,202	6.8 %
Net revenue by segment:								
Issuer Solutions (e)	\$ 439,255	413,869	25,386	6.1 %	\$ 1,718,177	1,594,959	123,218	7.7 %
Merchant Solutions (f)	334,617	282,714	51,903	18.4	1,344,718	1,103,682	241,036	21.8
Consumer Solutions (g)	199,839	186,422	13,417	7.2	806,430	746,870	59,560	8.0
Segment net revenue	973,711	883,005	90,706	10.3	3,869,325	3,445,511	423,814	12.3
Less: Intersegment revenues	14,450	12,392	2,058	16.6	53,425	45,179	8,246	18.3
Net revenue (h)	959,261	870,613	88,648	10.2	3,815,900	3,400,332	415,568	12.2
Add: reimbursable items, interchange and payment network fees	58,829	402,676	(343,847)	(85.4)	212,311	1,527,633	(1,315,322)	(86.1)
Total revenues	\$ 1,018,090	1,273,289	(255,199)	(20.0) %	\$ 4,028,211	4,927,965	(899,754)	(18.3) %
Adjusted segment operating margin on segment net revenue:								
Issuer Solutions (a)/(e)	34.6%	35.2%			35.4%	36.0%		
Merchant Solutions (b)/(f)	37.1%	33.6%			36.0%	35.5%		
Consumer Solutions (c)/(g)	22.2%	20.8%			24.0%	24.4%		
Adjusted segment operating margin on net revenue (d)/(h)	29.9%	27.8%			29.7%	29.4%		

nm = not meaningful

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TSYS
Segment Breakdown
(unaudited)
(in thousands)

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2018	2017	Change		2018	2017	Change	
			\$	%			\$	%
Depreciation and amortization by segment:								
Issuer Solutions	\$ 31,021	38,627	(7,606)	(19.7) %	\$ 119,402	147,914	(28,512)	(19.3) %
Merchant Solutions	7,351	7,487	(136)	(1.8)	30,713	29,477	1,236	4.2
Consumer Solutions	4,549	3,782	767	20.3	17,424	15,838	1,586	10.0
Depreciation and amortization	42,921	49,896	(6,975)	(14.0)	167,539	193,229	(25,690)	(13.3)
Acquisition intangible amortization	54,367	50,831	3,536	7.0	236,848	207,797	29,051	14.0
Corporate admin and other	1,275	1,358	(83)	(6.1)	4,186	4,880	(694)	(14.2)
Total depreciation and amortization*	\$ 98,563	102,085	(3,522)	(3.5) %	\$ 408,573	405,906	2,667	0.7 %

*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

Segment statistical data:

Issuer Solutions

Total transactions (in millions)	6,597.3	5,863.5	733.8	12.5 %	24,350.0	21,575.6	2,774.4	12.9 %
Total Accounts on file (AOF) (in millions)					739.3	797.5	(58.2)	(7.3) %
Total Traditional AOF (in millions)					614.0	571.9	42.1	7.4 %

Merchant Solutions

Point-of-sale transactions (in millions)	1,502.6	1,221.8	280.8	23.0 %	5,874.6	4,844.1	1,030.5	21.3 %
Dollar sales volume (in millions)	\$ 41,103.8	32,439.0	8,664.8	26.7 %	\$ 159,642.8	124,165.1	35,477.7	28.6 %
Segment net revenue per transaction	\$ 0.223	0.231	(0.009)	(3.8) %	\$ 0.229	0.228	0.001	0.5 %

Consumer Solutions

Gross dollar volume (in millions)	\$ 8,381.8	7,579.7	802.1	10.6 %	\$ 34,465.5	32,034.8	2,430.7	7.6 %
Direct deposit 90-day active cards (in thousands)					2,512.9	2,395.1	117.8	4.9 %
90-day active cards (in thousands)					5,024.2	4,902.9	121.3	2.5 %
% of 90-day active cards with direct deposit					50.0%	48.9%		

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TSYS
Condensed Balance Sheet
(unaudited)
(in thousands)

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 471,156	450,357
Accounts receivable, net	450,322	412,322
Contract assets	30,950	-
Other current assets	188,355	216,565
Total current assets	<u>1,140,783</u>	<u>1,079,244</u>
Goodwill	4,114,838	3,264,071
Software and other intangible assets, net	1,331,238	1,110,861
Property and equipment, net	383,074	325,218
Contract assets - long-term	47,839	-
Contract cost assets - long-term	145,598	258,665
Other long term assets	305,339	293,630
Total assets	<u>\$ 7,468,709</u>	<u>6,331,689</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 97,956	62,310
Current portion of long-term borrowings, capital leases and license agreements	29,125	565,812
Contract liabilities	47,227	52,913
Other current liabilities	341,293	308,057
Total current liabilities	<u>515,601</u>	<u>989,092</u>
Long-term borrowings, capital leases and license agreements, excluding current portion	3,889,541	2,628,002
Deferred income tax liabilities	380,278	238,317
Contract liabilities - long-term	21,489	48,526
Other long-term liabilities	75,894	71,070
Total liabilities	<u>4,882,803</u>	<u>3,975,007</u>
Redeemable noncontrolling interest	<u>-</u>	<u>115,689</u>
Equity	<u>2,585,906</u>	<u>2,240,993</u>
Total liabilities and equity	<u>\$ 7,468,709</u>	<u>6,331,689</u>

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TSYS
Selected Cash Flow Highlights
(unaudited)
(in thousands)

	Twelve Months Ended December 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 577,917	592,216
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of equity investments, net of tax	(45,156)	(40,532)
Dividends received from equity investments	24,921	20,589
Depreciation and amortization	408,573	405,906
Amortization of debt issuance costs	4,982	4,307
Share-based compensation	48,758	42,409
Deferred income tax expense (benefit)	21,400	(172,488)
Other noncash adjustments	83,586	78,498
Changes in operating assets and liabilities	(83,314)	(73,856)
Net cash provided by operating activities	1,041,667	857,049
Purchases of property and equipment	(113,266)	(70,039)
Additions to licensed computer software from vendors	(89,756)	(25,916)
Additions to internally developed computer software	(39,162)	(30,265)
Additions to contract acquisition costs	-	(69,806)
Cash used in acquisitions, net of cash acquired	(1,051,629)	-
Proceeds from the sale of acquisition intangibles	3,847	-
Other investing activities	(4,183)	(2,718)
Net cash used in investing activities	(1,294,149)	(198,744)
Principal payments on long-term borrowings, capital lease obligations and license agreements	(2,812,366)	(421,306)
Proceeds from long-term borrowings	3,477,000	200,000
Debt issuance costs	(16,004)	-
Purchase of noncontrolling interests	(126,000)	(70,000)
Dividends paid on common stock	(94,557)	(79,017)
Proceeds from exercise of stock options	31,177	21,832
Repurchase of common stock	(172,966)	(284,237)
Other financing activities	(3,777)	(5,997)
Net cash provided by (used in) financing activities	282,507	(638,725)
Cash, cash equivalents and restricted cash:		
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7,116)	5,980
Net increase in cash, cash equivalents and restricted cash	22,909	25,560
Cash, cash equivalents and restricted cash at beginning of period	451,370	425,810
Cash, cash equivalents and restricted cash at end of period	\$ 474,279	451,370
Supplemental		
Capital expenditures	\$ 242,184	196,026
Free cash flow (non-GAAP)*	\$ 799,483	661,023

* See reconciliation of non-GAAP measures.

Certain prior year amounts have changed due to the adoption of ASU 2016-18 "Statement of Cash Flows (Topic 230): Restricted Cash," which requires that a statement of cash flows explain the change in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

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TSYS
Supplemental Information
(unaudited)

Other**AOF:**

	Total Accounts on File		
	At December 2018	At December 2017	% Change
<i>(in millions)</i>			
Consumer	514.6	481.3	6.9
Commercial	57.8	54.2	6.5
Other	41.6	36.4	14.1
Traditional AOF	614.0	571.9	7.4
Prepaid*/Stored Value	11.8	38.6	(69.2)
Government Services	-	95.0	(100.0)
Commercial Card Single Use	113.5	92.0	23.3
Total AOF	739.3	797.5	(7.3)

* Prepaid does not include Consumer Solutions accounts.

Growth in Accounts on File (in millions):

	December 2017 to December 2018	December 2016 to December 2017
Beginning balance	797.5	751.5
Change in accounts on file due to:		
Internal growth of existing clients	57.9	53.1
New clients	30.1	29.8
Purges/Sales	(29.6)	(36.4)
Deconversions	(116.6)	(0.5)
Ending balance	739.3	797.5

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Reconciliation of GAAP to Non-GAAP Financial Measures

Non-GAAP Measures

The schedules below provide a reconciliation of revenues and operating results on a constant currency basis to reported revenues and operating income. This non-GAAP measure presents fourth quarter and year-to-date 2018 financial results using the previous year's foreign currency exchange rates. On a constant currency basis, TSYS' total year-to-date revenues for the fourth quarter of 2018 were lower 18.5% as compared to a reported GAAP decrease of 18.3%.

The schedules below also provide a reconciliation of total revenues to net revenue.

The schedules below also provide a reconciliation of diluted EPS to adjusted diluted EPS.

The schedules below also provide a reconciliation of net income to adjusted EBITDA.

The schedules below also provide a reconciliation of cash flows from operating activities and capital expenditures to free cash flow.

The schedules below also provide a reconciliation of 2019 guidance of total revenues to net revenue and diluted EPS to adjusted diluted EPS.

The tax rate used in the calculation of adjusted diluted EPS for the quarter and year is equal to an estimate of our annual effective tax rate on GAAP income. This effective rate is estimated annually and may be adjusted during the year to take into account events or trends that materially impact the effective tax rate including, but not limited to, significant changes resulting from tax legislation, material changes in the mix of revenues and expenses by entity and other significant events.

TSYS believes that non-GAAP financial measures are important to enable investors to understand and evaluate its ongoing operating results. Accordingly, TSYS includes non-GAAP financial measures when reporting its financial results to shareholders and potential investors in order to provide them with an additional tool to evaluate TSYS' ongoing business operations. TSYS believes that the non-GAAP financial measures are representative of comparative financial performance that reflects the economic substance of TSYS' current and ongoing business operations.

Although non-GAAP financial measures are often used to measure TSYS' operating results and assess its financial performance, they are not necessarily comparable to similarly titled measures of other companies due to potential inconsistencies in the method of calculation.

TSYS believes that its provision of non-GAAP financial measures provides investors with important key financial performance indicators that are utilized by management to assess TSYS' operating results, evaluate the business and make operational decisions on a prospective, going-forward basis. Hence, management provides disclosure of non-GAAP financial measures to give shareholders and potential investors an opportunity to see TSYS as viewed by management, to assess TSYS with some of the same tools that management utilizes internally and to be able to compare such information with prior periods. TSYS believes that inclusion of non-GAAP financial measures provides investors with additional information to help them better understand its financial statements just as management utilizes these non-GAAP financial measures to better understand the business, manage budgets and allocate resources.

Reconciliation of GAAP to Non-GAAP

Constant Currency Comparison (unaudited) (in thousands)						
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2018	2017	Percent Change	2018	2017	Percent Change
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 %
Operating income (GAAP)	\$ 209,786	173,921	20.6 %	\$ 822,738	734,044	12.1 %
Foreign currency impact (1)	494	-		(4,828)	-	
Constant currency (2) (non-GAAP)	<u>\$ 210,280</u>	<u>173,921</u>	20.9 %	<u>\$ 817,910</u>	<u>734,044</u>	11.4 %
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.

Net Revenue (unaudited) (in thousands)						
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2018	2017	Percent Change	2018	2017	Percent Change
Total revenues	\$ 1,018,090	1,273,289	(20.0) %	\$ 4,028,211	4,927,965	(18.3) %
Less: reimbursable items, interchange and payment network fees	58,829	402,676	(85.4)	212,311	1,527,633	(86.1)
Net revenue	<u>\$ 959,261</u>	<u>870,613</u>	10.2 %	<u>\$ 3,815,900</u>	<u>3,400,332</u>	12.2 %

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Reconciliation of GAAP to Non-GAAP

Adjusted Diluted Earnings per Share (unaudited) (in thousands, except per share data)						
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2018	2017	Percent Change	2018	2017	Percent Change
Net income attributable to						
TSYS common shareholders (GAAP)	\$ 136,420	242,208	(43.7) %	\$ 576,656	586,185	(1.6) %
Adjust for amounts attributable to TSYS common shareholders:						
Add: Acquisition intangible amortization	\$ 54,334	50,683	7.2	\$ 236,707	207,172	14.3
Add: Share-based compensation	15,843	13,944	13.6	48,757	42,399	15.0
Add: Cayan and TransFirst M&A and integration expenses*	6,714	3,281	nm	26,550	13,306	99.5
Add: Litigation, claims, judgments or settlements**	-	43	(100.0)	-	1,947	(100.0)
Less: Tax impact of adjustments***	(17,091)	(23,252)	26.5	(68,655)	(90,955)	24.5
Add/less: Impact of Tax Cuts and Jobs Act****	1,277	(135,871)	nm	1,277	(135,871)	nm
Adjusted earnings (non-GAAP)	<u>\$ 197,497</u>	<u>151,036</u>	30.8 %	<u>\$ 821,292</u>	<u>624,183</u>	31.6 %
Diluted EPS - Net income attributable to						
TSYS common shareholders						
As reported (GAAP)	<u>\$ 0.74</u>	<u>1.31</u>	(43.4) %	<u>\$ 3.14</u>	<u>3.16</u>	(0.8) %
Adjusted diluted EPS (non-GAAP)	<u>\$ 1.08</u>	<u>0.82</u>	31.5 %	<u>\$ 4.47</u>	<u>3.37</u>	32.7 %
Weighted average diluted shares outstanding	<u>183,660</u>	<u>184,639</u>		<u>183,919</u>	<u>185,430</u>	

* Costs associated with the Cayan and TransFirst acquisitions and integrations are included in selling, general and administrative expenses and nonoperating expenses.

** Litigation settlement or settlement discussions and related legal expenses.

*** Certain of these merger and acquisition costs are nondeductible for income tax purposes. Income tax impact includes discrete items as a result of the acquisitions.

**** 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.

nm = not meaningful

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Reconciliation of GAAP to Non-GAAP

	Adjusted EBITDA (unaudited) (in thousands)					
	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2018	2017	Percent Change	2018	2017	Percent Change
Net income (GAAP) (a)	\$ 136,420	243,871	(44.1) %	\$ 577,917	592,216	(2.4) %
Adjust for:						
Less: Equity in income of equity investments	(9,843)	(9,613)	(2.4)	(45,156)	(40,532)	(11.4)
Less: Income tax expense/(benefit)	40,341	(88,039)	nm	127,003	65,878	92.8
Add: Interest expense, net	40,016	28,217	41.8	158,881	116,028	36.9
Add: Depreciation and amortization*	98,563	102,085	(3.5)	408,573	405,906	0.7
Add: Client incentive/contract asset amortization*	7,216	-	na	28,105	-	na
Add: Contract cost asset amortization*	7,900	-	na	35,729	-	na
Less: (Gain)/loss on foreign currency translations	186	(343)	nm	(109)	907	nm
Less: Other nonoperating (income)/expenses	2,666	(172)	nm	4,202	(453)	nm
Add: Share-based compensation	15,843	13,947	13.6	48,758	42,409	15.0
Add: Cayan and TransFirst M&A and integration expenses**	6,714	3,281	nm	26,550	13,367	98.6
Add: Litigation, claims, judgments or settlements	-	43	(100.0)	-	1,947	(100.0)
Adjusted EBITDA (non-GAAP) (b)	\$ <u>346,022</u>	<u>293,277</u>	18.0 %	\$ <u>1,370,453</u>	<u>1,197,673</u>	14.4 %
Total revenues (c)	\$ 1,018,090	1,273,289		\$ 4,028,211	4,927,965	
Net income margin on total revenues (GAAP) (a)/(c)	<u>13.4%</u>	<u>19.2%</u>		<u>14.3%</u>	<u>12.0%</u>	
Net revenue (d)	\$ 959,261	870,613		\$ 3,815,900	3,400,332	
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	<u>36.1%</u>	<u>33.7%</u>		<u>35.9%</u>	<u>35.2%</u>	

* 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.

** Costs associated with the Cayan and TransFirst acquisitions and integrations are included in selling, general and administrative expenses.

nm = not meaningful

na = not applicable

- more -

Reconciliation of GAAP to Non-GAAP

Free cash flow:	Free Cash Flow (unaudited) (in thousands)	
	Twelve Months Ended December 31,	
	2018	2017
Net cash provided by operating activities (GAAP)	\$ 1,041,667	857,049
Capital expenditures	(242,184)	(196,026)
Free cash flow (non-GAAP)	<u>\$ 799,483</u>	<u>661,023</u>

Guidance Summary
(unaudited)
(in millions, except per share data)

Revenue:	2019		% 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)	<u>\$ 3,990</u>	to <u>\$ 4,090</u>	5%	to	7%

Earnings per share (EPS):

Diluted EPS (GAAP)	\$ 3.48	to \$ 3.63	11%	to	16%
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and 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%

TSYS
Impact of New Revenue Guidance on Financial Statement Line Items
(unaudited)
(in thousands, except per share data)

	Three Months Ended December 31, 2018			Twelve Months Ended December 31, 2018		
	As Reported	Balances Without Adoption of Topic 606	Effect of Change Higher/(Lower)	As Reported	Balances Without Adoption of Topic 606	Effect of Change Higher/(Lower)
Total revenues	\$ 1,018,090	1,464,172	(446,082)	4,028,211	5,716,741	(1,688,530)
Total expenses	808,304	1,255,287	(446,983)	3,205,473	4,887,026	(1,681,553)
Operating income	\$ 209,786	208,885	901	822,738	829,715	(6,977)
Income taxes	\$ 40,341	40,123	218	127,003	128,585	(1,582)
Net income	\$ 136,420	135,739	681	577,917	583,314	(5,397)
Net income attributable to TSYS common shareholders	\$ 136,420	135,739	681	576,656	582,053	(5,397)
Earnings per share (EPS):						
Basic EPS*	\$ 0.75	0.75	0.00	3.17	3.20	(0.03)
Diluted EPS*	\$ 0.74	0.74	0.00	3.14	3.16	(0.03)

* EPS amounts may not total due to rounding.

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TSYS
Adjusted Segment EBITDA Historical Breakdown
(unaudited)
(in thousands)

	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	YTD 2018
Adjusted EBITDA by segment:					
Issuer Solutions	\$ 195,764	195,275	199,204	196,718	786,961
Merchant Solutions	118,940	133,418	134,375	132,789	519,522
Consumer Solutions	53,667	54,545	53,806	48,934	210,952
Corporate admin and other	(37,449)	(38,217)	(38,897)	(32,419)	(146,982)
Total	330,922	345,021	348,488	346,022	1,370,453
Less:					
Share-based compensation	6,295	14,229	12,391	15,843	48,758
Cayan and TransFirst M&A and integration expenses	14,368	2,581	2,887	6,714	26,550
Litigation, claims, judgments or settlements	-	-	-	-	-
Depreciation and amortization	104,388	104,290	101,332	98,563	408,573
Client incentive/contract asset amortization	6,874	6,712	7,303	7,216	28,105
Contract cost asset amortization	10,726	8,511	8,592	7,900	35,729
Operating income	188,271	208,698	215,983	209,786	822,738
Nonoperating expenses	(37,642)	(41,170)	(41,294)	(42,868)	(162,974)
Income before income taxes and equity in income of equity investments	\$ 150,629	167,528	174,689	166,918	659,764
	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	YTD 2017
Adjusted EBITDA by segment:					
Issuer Solutions	\$ 170,726	183,012	184,457	184,298	722,493
Merchant Solutions	98,301	109,376	110,863	102,402	420,942
Consumer Solutions	52,740	50,224	52,345	42,613	197,922
Corporate admin and other	(34,530)	(34,914)	(38,204)	(36,036)	(143,684)
Total	287,237	307,698	309,461	293,277	1,197,673
Less:					
Share-based compensation	9,047	11,008	8,407	13,947	42,409
Cayan and TransFirst M&A and integration expenses	4,868	4,166	1,052	3,281	13,367
Litigation, claims, judgments or settlements	1,961	(83)	26	43	1,947
Depreciation and amortization	104,178	99,359	100,284	102,085	405,906
Client incentive/contract asset amortization	-	-	-	-	-
Contract cost asset amortization	-	-	-	-	-
Operating income	167,183	193,248	199,692	173,921	734,044
Nonoperating expenses	(29,903)	(30,042)	(28,835)	(27,702)	(116,482)
Income before income taxes and equity in income of equity investments	\$ 137,280	163,206	170,857	146,219	617,562

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