



## Press Release

# TSYS Reports Fourth Quarter and Full Year Earnings

*Provides 2019 Outlook for Revenue and Earnings per Share*

**Columbus, Ga., January 29, 2019** – TSYS (NYSE: TSS) today reported results for the fourth quarter and full year of 2018.

“Strong results in the fourth quarter closed out another exceptional year for our company. In 2018, we delivered outstanding financial results, expanded our Merchant capabilities with the acquisition of Cayan and iMobile3, and continued to make strategic long-term investments across the enterprise,” said M. Troy Woods, chairman, president and chief executive officer of TSYS.

### **Highlights for the fourth quarter of 2018 vs. 2017:**

- Total revenues were \$1.02 billion, a decrease of 20.0%. The decrease is the result of adopting ASC 606.<sup>(1)</sup>
- Net revenue (non-GAAP), which excludes reimbursable items, interchange and payment network fees, was \$959.3 million, an increase of 10.2%.
- Net income attributable to TSYS common shareholders was \$136.4 million, a decrease of 43.7%. The decrease is the result of \$135.9 million of tax benefit from the Tax Cuts and Jobs Act in 4Q 2017. Diluted EPS were \$0.74, a decrease of 43.4%.
- Adjusted earnings (non-GAAP) were \$197.5 million, an increase of 30.8%. Adjusted diluted EPS (non-GAAP) were \$1.08, an increase of 31.5%.
- Adjusted EBITDA (non-GAAP) was \$346.0 million, an increase of 18.0%.

### Highlights for the full year of 2018 vs. 2017:

- Total revenues were \$4.03 billion, a decrease of 18.3%. The decrease is the result of adopting ASC 606.<sup>(1)</sup>
- Net revenue (non-GAAP), which excludes reimbursable items, interchange and payment network fees, was \$3.82 billion, an increase of 12.2%.
- Net income attributable to TSYS common shareholders was \$576.7 million, a decrease of 1.6%. The decrease is the result of \$135.9 million of tax benefit from the Tax Cuts and Jobs Act in 4Q 2017. Diluted EPS were \$3.14, a decrease of 0.8%.
- Adjusted earnings (non-GAAP) were \$821.3 million, an increase of 31.6%. Adjusted diluted EPS (non-GAAP) were \$4.47, an increase of 32.7%.
- Adjusted EBITDA (non-GAAP) was \$1.37 billion, an increase of 14.4%.

<sup>(1)</sup> On January 1, 2018, TSYS adopted Accounting Standards Codification (ASC) 606 "Revenue from Contracts with Customers" using the modified retrospective transition method. 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 are presented "net" of the amounts paid to them, as opposed to the "gross" presentation for certain of these fees in 2017.

### 2019 Outlook

TSYS' 2019 guidance is as follows:

	2019 Financial Outlook Range		Percent Change	
<i>(in millions, except per share amounts)</i>				
<b>Revenue:</b>				
Total revenues (GAAP)	\$4,190	to	\$4,290	4% to 6%
Net revenue (non-GAAP)	\$3,990	to	\$4,090	5% to 7%
<b>Earnings per share:</b>				
Diluted EPS (GAAP)	\$3.48	to	\$3.63	11% to 16%
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$4.75	to	\$4.90	6% to 10%

### 2019 Segment Reporting Change

TSYS will change its profitability measure for its operating segments to adjusted segment EBITDA. As a result, TSYS has included on page 18 of this release a schedule recasting its 2018 and 2017 quarterly segment results reflecting the change.

### **Conference Call**

TSYS will host its quarterly conference call at 5:00 p.m. ET on Tuesday, January 29. The conference call can be accessed via live webcast on the “Investor Relations” section of TSYS’ website at [investors.tsys.com](http://investors.tsys.com) where an accompanying slide presentation will also be available. The replay will be archived for 12 months and will be available approximately 30 minutes after the completion of the call.

### **Non-GAAP Measures**

This press release contains information prepared in conformity with GAAP as well as non-GAAP information. It is management’s intent to provide non-GAAP financial information to enhance understanding of its consolidated financial information as prepared in accordance with GAAP. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure and the most directly comparable GAAP financial measure are presented so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

Additional information about non-GAAP financial measures, including, but not limited to, net revenue, adjusted earnings, adjusted EBITDA and adjusted diluted EPS, and a reconciliation of those measures to the most directly comparable GAAP measures is included on pages 12 to 16 in the financial schedules of this release.

### **About TSYS**

TSYS® (NYSE: TSS) is a leading global payments provider, offering seamless, secure and innovative solutions across the payments spectrum — for issuers, merchants and consumers. We succeed because we put people and their needs at the heart of every decision to help them unlock payment opportunities. It’s an approach we call People-Centered Payments®.

Our headquarters are located in Columbus, Ga., U.S.A., with approximately 13,000 team members and local offices across 13 countries. TSYS generated revenue of \$4.0 billion in 2018, while processing more than 32.3 billion transactions. We are a member of The Civic 50 and were named one of the 2018 World’s Most Ethical Companies by Ethisphere magazine. TSYS is a member of the S&P 500 and routinely posts all important information on its website. For more, visit [tsys.com](http://tsys.com).

## Forward-Looking Statements

*This press release contains “forward-looking statements” – that is, statements related to future, not past, events. Forward-looking statements often address our expected future business and financial performance and often contain words such as “expect,” “anticipate,” “intend,” “believe,” “should,” “plan,” “potential,” “will,” “could,” and similar expressions. These forward-looking statements include, among others, statements regarding TSYS’ earnings guidance for 2019 total revenues, net revenue, diluted EPS and adjusted diluted EPS, and the assumptions underlying such statements. These statements are based on the current beliefs and expectations of TSYS’ management, are based on management’s assumptions and are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements. A number of important factors could cause actual results or events to differ materially from those contemplated by our forward-looking statements in this press release. Many of these factors are beyond TSYS’ ability to control or predict. These factors include, but are not limited to, the material breach of security of any of TSYS’ systems; TSYS’ ability to integrate acquisitions and achieve the anticipated growth opportunities and other benefits of the acquisitions, particularly the recently completed Cayan acquisition; the effect of current domestic and worldwide economic conditions; risks associated with foreign operations, including adverse developments with respect to foreign currency exchange rates, and in particular with respect to the current environment, adverse developments with respect to foreign currency exchange rates as a result of the United Kingdom’s decision to leave the European Union (Brexit); expenses incurred associated with the signing of a significant client; conversions and deconversions of clients’ portfolios do not occur as scheduled; the deconversion of a significant client; changes occur in laws, rules, regulations, credit card association rules, prepaid industry rules or other industry standards affecting TSYS and our clients that may result in costly new compliance burdens on TSYS and our clients and lead to a decrease in the volume and/or number of transactions processed or limit the types and amounts of fees that can be charged to customers, and in particular the CFPB’s new rule regarding prepaid financial products, including its effective date; the potential for our systems and software to contain undetected errors, viruses or defects; the costs and effects of litigation, investigations or similar matters or adverse facts and developments relating thereto; adverse developments with respect to the payment card industry in general, including a decline in the use of cards as a payment mechanism; one or more of the assumptions upon which earnings guidance for 2019 is based is inaccurate; and growth rates of TSYS’ existing clients are lower than anticipated or attrition rates of existing clients are higher than anticipated. Additional risks and other factors that could cause actual results or events to differ materially from those contemplated in this release can be found in TSYS’ filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K. We believe these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. 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.*



**Contacts:**

Cyle Mims  
TSYS Media Relations  
+1.706.644.3110  
[cylemims@tsys.com](mailto:cylemims@tsys.com)

Shawn Roberts  
TSYS Investor Relations  
+1.706.644.6081  
[shawnroberts@tsys.com](mailto:shawnroberts@tsys.com)

- more -