

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 Third Quarter

October 23, 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)

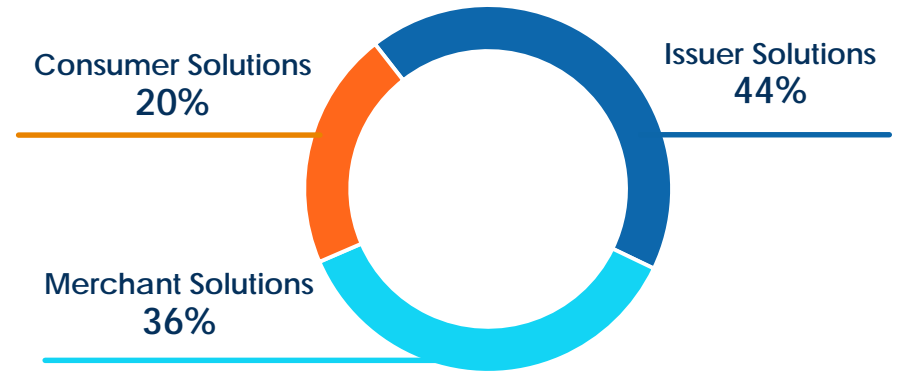
3 rd Qtr 2018	3 rd Qtr 2017	Percent Change		YTD 2018	YTD 2017	Percent Change
\$1,015,371	\$1,247,576	(18.6%)	Total Revenues	\$3,010,121	\$3,654,676	(17.6%)
964,594	852,759	13.1	Net Revenue ⁽¹⁾	2,856,639	2,529,719	12.9
348,488	309,461	12.6	Adjusted EBITDA ⁽¹⁾	1,024,431	904,396	13.3
\$1.16	\$0.88	32.0	Adjusted Diluted EPS ⁽¹⁾	\$3.40	\$2.55	33.2

(1) Non-GAAP financial measure; See Appendix

Consolidated Highlights

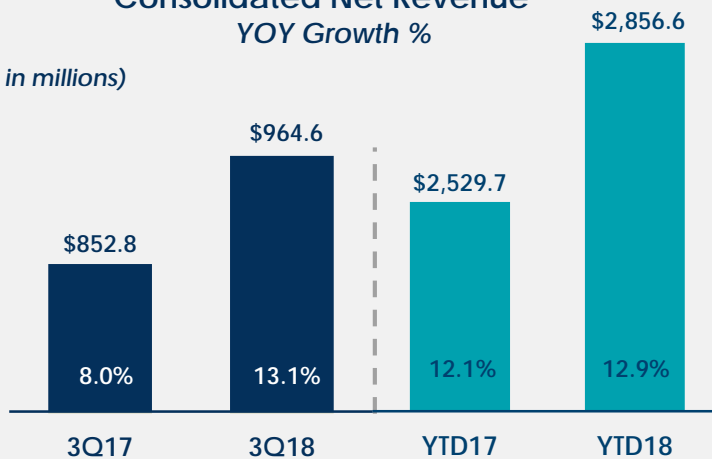
- Record net revenue and adjusted segment operating income
- Strong organic net revenue growth
- Accelerating growth based investments in all segments

3rd Quarter
Net Revenue by Segment⁽¹⁾⁽²⁾



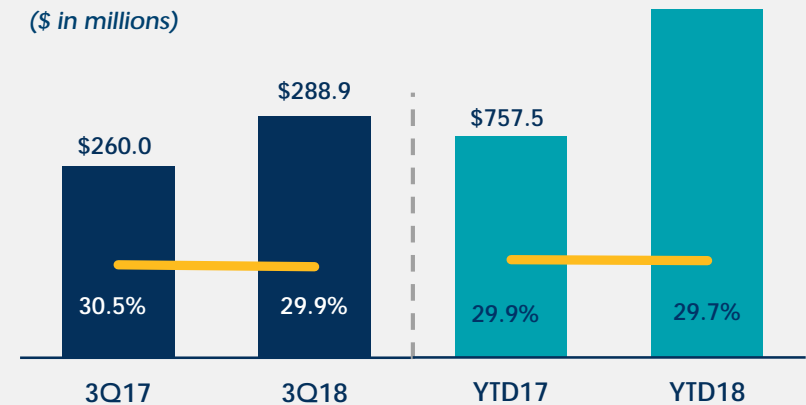
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



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

(\$ in millions)



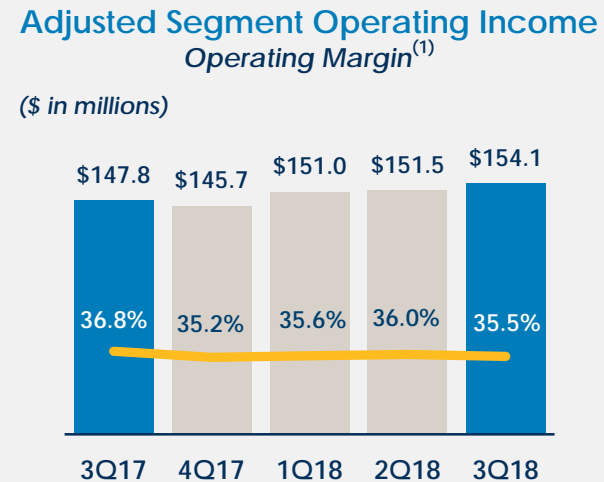
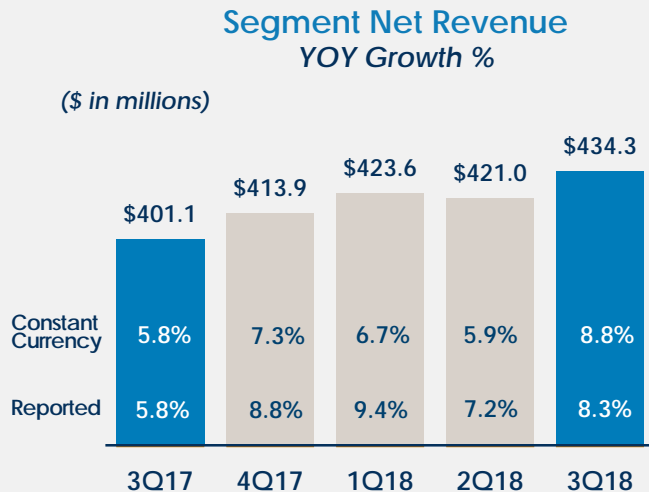
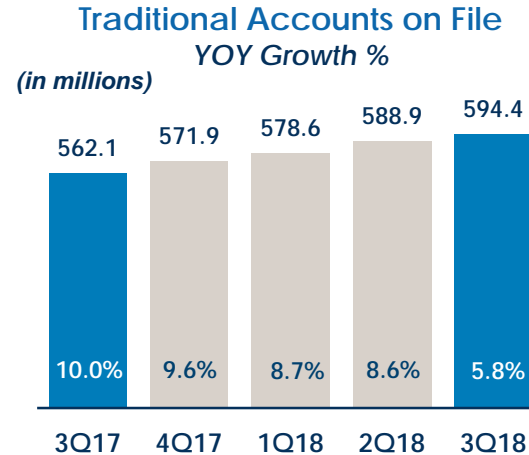
(1) Non-GAAP financial measure; See Appendix

(2) External revenue

(3) Net revenue

Issuer Solutions Segment Highlights

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

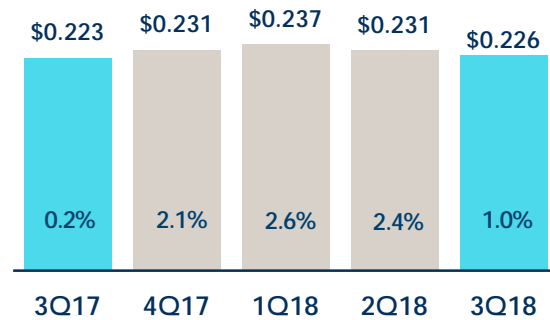


(1) Segment Net Revenue

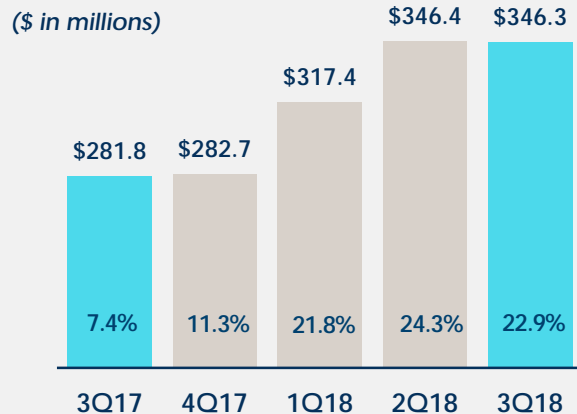
Merchant Solutions Segment Highlights

- Double digit organic net revenue growth
- Record adjusted segment operating income
- Cayan integration on-track

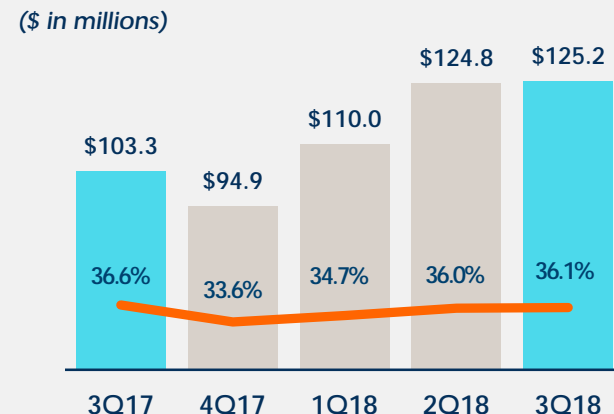
Segment Net Revenue per Transaction
YOY Growth %



Segment Net Revenue
YOY Growth %



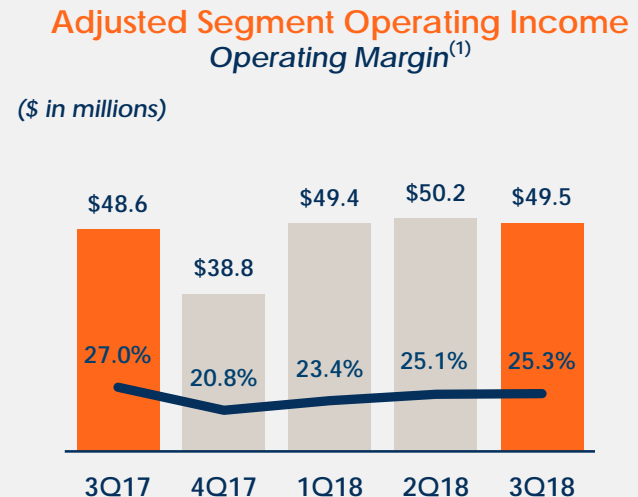
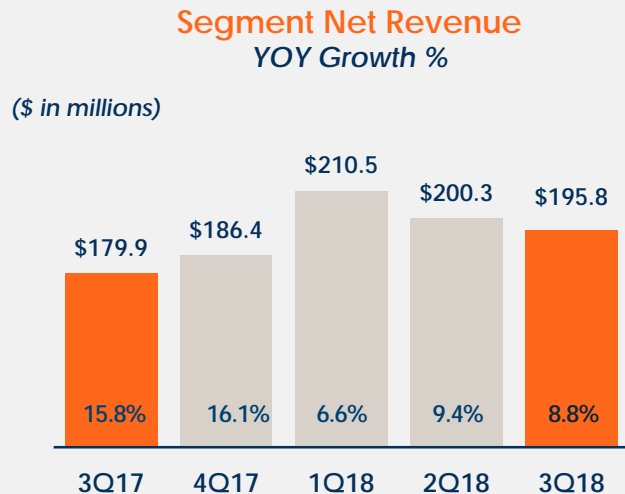
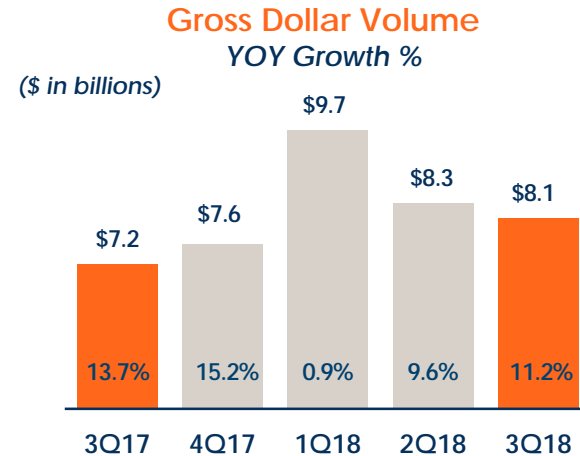
Adjusted Segment Operating Income
Operating Margin⁽¹⁾



(1) Segment Net Revenue

Consumer Solutions Segment Highlights

- Strong net revenue growth across all channels
- Product and platform enhancements performing well
- GDV over \$8 billion for third consecutive quarter



(1) Segment Net Revenue

Adjusted Segment Operating Margin

Three Months Ended September 30, 2018

<i>(in thousands)</i>	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
Issuer Solutions	\$154,107	\$434,332	35.5%
Merchant Solutions	125,153	346,309	36.1%
Consumer Solutions	49,503	195,810	25.3%
Intersegment	--	(11,857)	
Corporate administration excluding share-based compensation	(39,911)	--	
Total	\$288,852	\$964,594	29.9%

Adjusted Segment Operating Margin

Nine Months Ended September 30, 2018

<i>(in thousands)</i>	Adjusted Segment Operating Income	Segment Net Revenue	Adjusted Segment Operating Margin
Issuer Solutions	\$456,588	\$1,278,921	35.7%
Merchant Solutions	359,983	1,010,101	35.6%
Consumer Solutions	149,089	606,591	24.6%
Intersegment	--	(38,974)	
Corporate administration excluding share-based compensation	(117,477)	--	
Total	\$848,183	\$2,856,639	29.7%

2018 Revised Guidance*

<i>(in millions, except per share data)</i>	Range ⁽¹⁾		Range Percent Change			
Revenue:						
Total revenues (GAAP)	\$3,990	to	\$4,040	(19%)	to	(18%)
Net revenue⁽²⁾ (non-GAAP)	\$3,790	to	\$3,840	11%	to	13%
Earnings per share:						
Diluted EPS (GAAP)	\$3.09	to	\$3.15	(2%)	to	0%
Adjusted diluted EPS attributable to TSYS common shareholders⁽²⁾ (non-GAAP)	\$4.41	to	\$4.47	31%	to	33%
Weighted average diluted shares outstanding	184					

(1) The estimated impact of adopting ASC 606 in TSYS' 2018 revised guidance 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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Appendix

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Appendix: Accounts on File Portfolio Summary

<i>(in millions)</i>	September 2018	September 2017	% Change	September 2018	June 2018	% Change
Consumer	499.3	474.7	5.2	499.3	493.8	1.2
Commercial	55.6	52.8	5.3	55.6	56.8	(2.2)
Other	39.5	34.6	14.3	39.5	38.3	3.3
Traditional AOF	594.4	562.1	5.8	594.4	588.9	0.9
Prepaid*/Stored Value	17.1	50.6	(66.3)	17.1	37.0	(53.9)
Government Services	98.0	92.1	6.4	98.0	97.4	0.7
Commercial Card Single Use	114.2	92.5	23.4	114.2	106.0	7.8
Total AOF	<u>823.7</u>	<u>797.3</u>	<u>3.3</u>	<u>823.7</u>	<u>829.3</u>	<u>(0.7)</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			Nine Months Ended	
9/30/18	9/30/17		9/30/18	9/30/17
\$1,015,371	\$1,247,576	Total revenues	\$3,010,121	\$3,654,676
		Less: reimbursable items, interchange and payment network fees		
50,777	394,817		153,482	1,124,957
<u>\$964,594</u>	<u>\$852,759</u>	Net revenue	<u>\$2,856,639</u>	<u>\$2,529,719</u>

Constant Currency Total Revenues and Net Revenue

Appendix: Non-GAAP Reconciliation

(in thousands)	Three Months Ended		Percentage Change	Nine Months Ended		Percentage Change
	9/30/18	9/30/17		9/30/18	9/30/17	
Consolidated:						
Constant currency ⁽¹⁾	\$1,017,279	\$1,247,576	(18.5%)	\$2,995,442	\$3,654,676	(18.0%)
Foreign currency impact ⁽²⁾	(1,908)	--		14,679	--	
Total revenues	\$1,015,371	\$1,247,576	(18.6%)	\$3,010,121	\$3,654,676	(17.6%)
Constant currency ⁽¹⁾	\$966,416	\$852,759	13.3%	\$2,842,948	\$2,529,719	12.4%
Foreign currency impact ⁽²⁾	(1,822)	--		13,691	--	
Net revenue	\$964,594	\$852,759	13.1%	\$2,856,639	\$2,529,719	12.9%
Issuer solutions:						
Constant currency ⁽¹⁾	\$436,263	\$401,074	8.8%	\$1,265,346	\$1,181,090	7.1%
Foreign currency impact ⁽²⁾	(1,931)	--		13,575	--	
Net revenue	\$434,332	\$401,074	8.3%	\$1,278,921	\$1,181,090	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		Nine Months Ended	
	9/30/18	9/30/17	9/30/18	9/30/17
Net income (GAAP) (a)	\$155,960	\$124,726	\$441,497	\$348,345
Adjust for:				
Less: Equity in income of equity investments	(12,383)	(8,497)	(35,313)	(30,919)
Less: Income tax expense	31,112	54,628	86,662	153,917
Add: Interest expense, net	41,093	28,501	118,865	87,811
Add: Depreciation and amortization ⁽¹⁾	101,332	100,284	310,010	303,821
Add: Client incentive/contract asset amortization ⁽¹⁾	7,303	--	20,888	--
Add: Contract cost asset amortization ⁽¹⁾	8,592	--	27,830	--
Less: (Gain)/loss on Foreign currency translations	(187)	427	(295)	1,250
Less: Other nonoperating (income)/ expenses	388	(93)	1,536	(281)
Add: Share-based compensation	12,391	8,407	32,915	28,462
Add: Cayan and TransFirst M&A expenses ⁽²⁾	2,887	1,052	19,836	10,086
Add: Litigation, claims, judgments or settlements	--	26	--	1,904
Adjusted EBITDA (non-GAAP) (b)	\$348,488	\$309,461	\$1,024,431	\$904,396
Total revenues (c)	\$1,015,371	\$1,247,576	\$3,010,121	\$3,654,676
Net income margin on total revenues (GAAP) (a)/(c)	15.4%	10.0%	14.7%	9.5%
Net revenue (d)	\$964,594	\$852,759	\$2,856,639	\$2,529,719
Adjusted EBITDA margin on net revenue (non-GAAP) (b)/(d)	36.1%	36.3%	35.9%	35.8%

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

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

Adjusted Diluted EPS

Appendix: Non-GAAP Reconciliation

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	9/30/18	9/30/17	9/30/18	9/30/17
Net income attributable to TSYS common shareholders: (GAAP) (a)	\$155,960	\$123,095	\$440,236	\$343,977
Adjust for:				
Add: Acquisition intangible amortization	57,555	50,704	182,373	156,489
Add: Share-based compensation	12,391	8,404	32,913	28,455
Add: Cayan and TransFirst M&A expenses ⁽¹⁾	2,887	1,052	19,836	10,025
Add: Litigation, claims, judgments and settlements	--	26	--	1,904
Less: Tax impact of adjustments ⁽²⁾	(16,381)	(20,614)	(51,563)	(67,702)
Adjusted earnings (non-GAAP) (b)	\$212,412	\$162,667	\$623,795	\$473,148
Weighted average diluted shares outstanding (c)	183,846	185,809	183,601	185,472
Diluted EPS – Net income attributable to TSYS common shareholders (GAAP) (a) / (c)	\$0.85	\$0.66	\$2.40	\$1.85
Adjusted diluted EPS- Net income attributable to TSYS common shareholders (non-GAAP) (b) / (c)	\$1.16	\$0.88	\$3.40	\$2.55

(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)	\$3,990	to	\$4,040	(19%) to (18%)
Less: reimbursable items, interchange and payment network fees	200	to	200	
Net revenue (non-GAAP)	\$3,790	to	\$3,840	11% to 13%
Diluted EPS (GAAP)	\$3.09	to	\$3.15	(2%) to 0%
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	1.32	to	1.32	
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$4.41	To	\$4.47	31% to 33%
Weighted average diluted shares outstanding	184			

(1) The estimated impact of the adoption of ASC 606 in TSYS' 2018 revised guidance 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.