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First Quarter 2019 Financial Results Conference Call

April 30, 2019

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated internal revenue growth, adjusted EPS, adjusted EPS growth, free cash flow conversion and adjusted operating margin expansion. Statements can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should” or words of similar meaning. Statements that describe the company’s future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements.

The factors that could cause Fiserv’s actual results to differ materially include, among others: the possibility that Fiserv and First Data Corporation may be unable to achieve expected synergies and operating efficiencies from the proposed merger within the expected time frames or at all or to successfully integrate the operations of First Data Corporation into those of Fiserv; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected, including for possible reasons such as unexpected costs, charges or expenses resulting from the transaction; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater than expected following the transaction; the retention of certain key employees; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the outcome of any legal proceedings that may be instituted against Fiserv, First Data Corporation and others related to the merger agreement; unforeseen risks relating to liabilities of Fiserv or First Data Corporation may exist; the conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the amount of the costs, fees, expenses and charges related to the transaction, including the costs, fees, expenses and charges related to any financing arrangements entered into in connection with the transaction; the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction.

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements (cont.)

Fiserv and First Data Corporation are subject to, among other matters, changes in customer demand for their products and services; pricing and other actions by competitors; general changes in local, regional, national and international economic conditions and the impact they may have on Fiserv and First Data Corporation and their customers and Fiserv's and First Data Corporation's assessment of that impact; rapid technological developments and changes, and the ability of Fiserv's and First Data Corporation's technology to keep pace with a rapidly evolving marketplace; the impact of a security breach or operational failure on Fiserv's and First Data Corporation's business; the effect of proposed and enacted legislative and regulatory actions in the United States and internationally affecting the financial services industry as a whole and/or Fiserv and First Data Corporation and their subsidiaries individually or collectively; regulatory supervision and oversight, and Fiserv's and First Data Corporation's ability to comply with government regulations; the impact of Fiserv's and First Data Corporation's strategic initiatives; Fiserv's and First Data Corporation's ability to continue to introduce competitive new products and services on a timely, cost-effective basis; the ability to contain costs and expenses; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; acts of war and terrorism; and other factors included in "Risk Factors" in Fiserv's and First Data Corporation's respective filings with the SEC, including their respective Annual Reports on Form 10-K for the year ended December 31, 2018, and in other documents that the companies file with the SEC, which are available at <http://www.sec.gov>. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. Fiserv assumes no obligation to update any forward-looking statements, which speak only as of the date of this presentation.

Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures: "adjusted revenue," "internal revenue," "adjusted operating income," "adjusted operating margin," "adjusted EPS," "adjusted EPS, before Lending Transaction impact," "adjusted EPS, as adjusted for the Lending Transaction," "adjusted net income," "adjusted net income, before Lending Transaction impact," "free cash flow" and "free cash flow conversion." These non-GAAP measures are indicators that management uses to provide additional comparisons between current results and prior reported results and as a basis for planning and forecasting future periods. We believe that these measures provide additional insight into our operating performance. Additional information about these measures and reconciliations to the nearest GAAP financial measures, to the extent available, are provided in the appendix to this presentation.

1Q-19 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
1Q-19	\$1,433	\$1,378	\$0.84
1Q-18	\$1,368	\$1,314	\$0.75
Change	5%	5%	12%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

Other Financial Metrics

	Free Cash Flow Conversion	Adjusted Operating Margin
1Q-19	90%	31.9%
1Q-18	98%	32.5%
Change ¹	(8%)	(60) bps

See appendix for information regarding non-GAAP measures.

¹Free cash flow conversion change represents the change in percentage points.

Internal Revenue Growth by Segment

Segment	1Q-19
Payments	4%
Financial	6%
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Total Company	5%

See appendix for information regarding non-GAAP measures.

1Q-19 Adjusted Operating Margin

Segment	1Q-19	1Q-18	Change (bps)
Payments	34.0%	35.4%	(140)
Financial	33.3%	32.8%	50
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Total Company	31.9%	32.5%	(60)

See appendix for information regarding non-GAAP measures.

2019 Performance Outlook

Key Financial Metrics

Growth

Internal Revenue

4.5 - 5%

Adjusted EPS¹

10 - 14%

Other Financial Metrics

Target

Free Cash Flow Conversion

>105%

Adjusted Operating Margin Expansion

>50 bps

¹ Reflects performance as compared to 2018 adjusted for the company's sale of a 55 percent interest of its Lending Solutions business. See page 12 for additional information.

The company's outlook for 2019 does not include any impact related to its proposed transaction with First Data Corporation.



Appendix

Internal Revenue Growth

Internal revenue growth is measured as the increase in adjusted revenue for the current period excluding acquired revenue and revenue attributable to dispositions, divided by adjusted revenue from the prior year period excluding revenue attributable to dispositions. Revenue attributable to dispositions includes transition services revenue within Corporate and Other.

In the first quarter of 2019, acquired revenue was \$46 million (all in the Payments segment). Revenue attributable to dispositions was \$9 million (all in Corporate and Other) and \$54 million (all in the Financial segment) in the first quarter of 2019 and 2018, respectively, from the sale of a 55 percent interest of the company's Lending Solutions business (the "Lending Transaction").

See page 3 for information regarding non-GAAP financial measures.

Adjusted EPS

	1Q-19	1Q-18
GAAP EPS	\$ 0.56	\$ 1.00
Adjustments - net of income taxes:		
Merger, integration and other costs ¹	0.08	0.04
Severance costs	0.01	0.01
Amortization of acquisition-related intangible assets	0.09	0.07
Debt financing activities ²	0.11	—
Gain on sale of business ³	(0.02)	(0.37)
Unconsolidated affiliate activities ⁴	0.01	—
Adjusted EPS, before Lending Transaction impact	<u>0.84</u>	<u>0.76</u>
Lending Transaction impact ⁵	—	(0.02)
Adjusted EPS	<u><u>\$ 0.84</u></u>	<u><u>\$ 0.75</u></u>

Earnings per share is calculated using actual, unrounded amounts.

See page 3 for information regarding non-GAAP financial measures.

¹Merger, integration and other costs include acquisition and related integration costs of \$30 million in 2019 and \$15 million in 2018, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$11 million in 2019 and \$8 million in 2018, primarily consisting of expenses related to data center consolidation activities. Acquisition and related integration costs in 2019 include \$23 million, primarily consisting of legal and other professional service fees, related to the previously announced acquisition of First Data Corporation.

²Represents expenses associated with entering into and maintaining a bridge term loan facility for the purpose of refinancing certain indebtedness of First Data Corporation upon the closing date of the acquisition.

³Represents the gain on the Lending Transaction, including contingent consideration received in 2019.

⁴Represents the company's share of amortization of acquisition-related intangible assets on the Lending Transaction.

⁵Represents the earnings attributable to the disposed 55 percent interest of the company's Lending Solutions business.

2018 Adjusted EPS Reconciliation for the Lending Transaction

2018 GAAP net income	\$	1,187
Adjustments:		
Merger, integration and other costs ¹		89
Severance costs		17
Amortization of acquisition-related intangible assets		163
Loss on early debt extinguishment ²		14
Tax impact of adjustments ³		(63)
Gain on sale of business ⁴		(227)
Tax impact of gain on sale of business ³		77
Unconsolidated affiliate activities ⁵		7
Tax impact of unconsolidated affiliate activities ³		(2)
Tax reform ⁶		19
2018 adjusted net income	<u>\$</u>	<u>1,281</u>
2018 GAAP EPS	\$	2.87
Adjustments		0.23
2018 adjusted EPS		<u>3.10</u>
Lending Transaction impact		(0.02)
2018 adjusted EPS, as adjusted for the Lending Transaction	<u>\$</u>	<u>3.08</u>
2019 adjusted EPS outlook		\$3.39 - \$3.52
2019 adjusted EPS growth outlook		10% - 14%

In March 2018, the company completed the Lending Transaction.

\$ in millions, except per share amounts. Earnings per share is calculated using actual, unrounded amounts. See page 3 for information regarding non-GAAP financial measures.

¹ Merger, integration and other costs include acquisition and related integration costs of \$46 million and certain costs associated with the achievement of the company's operational effectiveness objectives of \$43 million, primarily consisting of expenses related to data center consolidation activities.

² Represents the loss on early debt extinguishment associated with the company's cash tender offer for and redemption of its \$450 million aggregate principal amount of 4.625% senior notes.

³ The tax impact of adjustments is calculated using a tax rate of 22 percent, which approximates the company's annual effective tax rate in 2018, exclusive of U.S. federal tax reform expense and the actual tax impacts associated with the gain on sale of business and unconsolidated affiliate activities.

⁴ Represents the gain on the Lending Transaction.

⁵ Represents the company's share of net gains associated with sales of businesses at StoneRiver Group, L.P., a joint venture in which the company owns a 49 percent interest, and the company's share of amortization of acquisition-related intangible assets on the Lending Transaction.

⁶ Represents discrete income tax expense associated with U.S. federal tax reform and subsequent guidance issued by the Internal Revenue Service.

Adjusted Net Income

	<u>1Q-19</u>	<u>1Q-18</u>
GAAP net income	\$ 225	\$ 423
Adjustments:		
Merger, integration and other costs ¹	41	23
Severance costs	7	5
Amortization of acquisition-related intangible assets	45	40
Debt financing activities ²	59	—
Tax impact of adjustments ³	(34)	(15)
Gain on sale of business ⁴	(10)	(232)
Tax impact of gain on sale of business ³	2	78
Unconsolidated affiliate activities ⁵	3	—
Tax impact of unconsolidated affiliate activities ³	(1)	—
Adjusted net income, before Lending Transaction impact	<u>337</u>	<u>322</u>
Lending Transaction impact ⁶	—	(9)
Taxes on Lending Transaction impact ³	—	2
Adjusted net income	<u>\$ 337</u>	<u>\$ 315</u>

\$ in millions. See page 3 for information regarding non-GAAP financial measures.

¹Merger, integration and other costs include acquisition and related integration costs of \$30 million in 2019 and \$15 million in 2018, and certain costs associated with the achievement of the company's operational effectiveness objectives of \$11 million in 2019 and \$8 million in 2018, primarily consisting of expenses related to data center consolidation activities. Acquisition and related integration costs in 2019 include \$23 million, primarily consisting of legal and other professional service fees, related to the previously announced acquisition of First Data Corporation.

²Represents expenses associated with entering into and maintaining a bridge term loan facility for the purpose of refinancing certain indebtedness of First Data Corporation upon the closing date of the acquisition.

³The tax impact of adjustments is calculated using a tax rate of 22 percent, which approximates the company's annual effective tax rate, exclusive of the actual tax impacts associated with the gain on sale of business and unconsolidated affiliate activities.

⁴Represents the gain on the Lending Transaction, including contingent consideration received in 2019.

⁵Represents the company's share of amortization of acquisition-related intangible assets on the Lending Transaction.

⁶Represents the earnings attributable to the disposed 55 percent interest of the company's Lending Solutions business.

Free Cash Flow Conversion

	<u>YTD-19</u>	<u>YTD-18</u>
Net cash provided by operating activities	\$ 373	\$ 372
Capital expenditures	(98)	(77)
Adjustments:		
Severance, merger and integration payments	35	27
Tax payments on adjustments	(8)	(6)
Free cash flow	<u>\$ 302</u>	<u>\$ 316</u>
Adjusted net income, before Lending Transaction impact ¹	<u>\$ 337</u>	<u>\$ 322</u>
Free cash flow conversion	90%	98%
GAAP net income	\$ 225	\$ 423
Ratio of net cash provided by operating activities to GAAP net income	166%	88%
Weighted average diluted shares outstanding	399.1	421.6

\$ in millions. Free cash flow conversion is defined as free cash flow divided by adjusted net income before Lending Transaction impact.

See page 3 for information regarding non-GAAP financial measures.

¹See page 13 for adjusted net income reconciliation.

Adjusted Revenue and Adjusted Operating Income

Total Company

	<u>1Q-19</u>	<u>1Q-18</u>
Revenue	\$ 1,502	\$ 1,440
Output Solutions postage reimbursements	(69)	(74)
Deferred revenue purchase accounting adjustments	—	2
Adjusted revenue	<u>\$ 1,433</u>	<u>\$ 1,368</u>
Operating income	\$ 373	\$ 608
Merger, integration and other costs	42	23
Severance costs	7	5
Amortization of acquisition-related intangible assets	45	40
Gain on sale of business	(10)	(232)
Adjusted operating income	<u>\$ 457</u>	<u>\$ 444</u>
Operating margin	24.8%	42.2%
Adjusted operating margin	31.9%	32.5%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

See page 3 for information regarding non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Payments Segment

	1Q-19	1Q-18
Revenue	\$ 914	\$ 842
Output Solutions postage reimbursements	(69)	(74)
Deferred revenue purchase accounting adjustments	—	2
Adjusted revenue	<u>\$ 845</u>	<u>\$ 770</u>
Operating income	\$ 287	\$ 271
Merger, integration and other costs	—	1
Adjusted operating income	<u>\$ 287</u>	<u>\$ 272</u>
Operating margin	31.4%	32.2%
Adjusted operating margin	34.0%	35.4%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

See page 3 for information regarding non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Financial Segment

	1Q-19	1Q-18
Revenue	\$ 598	\$ 616
Operating income	\$ 199	\$ 202
Operating margin	33.3%	32.8%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

For all periods presented in the Financial Segment, there were no adjustments to GAAP measures presented and thus the adjusted measures are equal to the GAAP measures presented.

See page 3 for information regarding non-GAAP financial measures.