



# 1Q 2022 Earnings

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05/02/2022

**global**payments

Innovation that **delivers.**

# Forward-Looking Statements

This presentation contains certain forward-looking statements within the meaning of the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which we operate, and beliefs of and assumptions made by our management, involve risks and uncertainties, many of which are beyond our control and cannot be foreseen, that could significantly affect the financial condition, results of operations, business plans and the future performance of Global Payments. Actual events or results might differ materially from those expressed or forecasted in these forward-looking statements. Accordingly, we cannot guarantee that our plans and expectations will be achieved. Examples of forward-looking statements include, but are not limited to, statements we make regarding revenue, earnings estimates, operating margins, and liquidity; management’s expectations regarding future plans, objectives and goals; market and growth opportunities; and other statements regarding our future financial performance. Statements can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “intends,” “plan,” “forecast,” “could,” “should,” or words of similar meaning.

In addition to factors previously disclosed in Global Payments’ reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the effects of global economic, political, market, health and social events or other conditions, including the effects and duration of, and actions taken in response to, the COVID-19 pandemic and the evolving situation involving Ukraine and Russia; our ability to meet our liquidity needs in light of the effects of the COVID-19 pandemic or otherwise; difficulties, delays and higher than anticipated costs related to integrating the businesses of Global Payments and TSYS, including with respect to implementing controls to prevent a material security breach of any internal systems or to successfully manage credit and fraud risks in business units; the effect of a security breach or operational failure on the Company’s business; failing to comply with the applicable requirements of Visa, Mastercard or other payment networks or card schemes or changes in those requirements; the ability to maintain Visa and Mastercard registration and financial institution sponsorship; the ability to retain, develop and hire key personnel; the diversion of management’s attention from ongoing business operations; the continued availability of capital and financing; increased competition in the markets in which we operate and our ability to increase our market share in existing markets and expand into new markets; our ability to safeguard our data; risks associated with our indebtedness, foreign currency exchange and interest rate risks; our ability to meet environmental, social or governance targets, goals and commitments; the potential effect of climate change including natural disasters; the effects of new or changes in current laws, regulations, credit card association rules or other industry standards on us or our partners and customers, including privacy and cybersecurity laws and regulations; and other events beyond our control, such as acts of terrorism, and other factors included in the “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021, and in other documents that we file with the SEC, which are available at <https://www.sec.gov>. Any forward-looking statements speak only as of the date of this communication or as of the date they were made, and we undertake no obligation to update forward-looking statements, except as required by law.

## Use of Non-GAAP Financial Measures

The following presentation may include certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934. A schedule which reconciles each non-GAAP financial measure included in the following presentation to the most comparable amount reported under Generally Accepted Accounting Principles is attached as an Appendix hereto and is also posted on the Company’s website at [www.globalpayments.com](http://www.globalpayments.com) (in the “News and Events” section of the Investor Relations page).

# Record financial performance

## 1Q 2022

Adjusted Net Revenue

**\$1.95B**

+ 8%

*+9% constant  
currency<sup>2</sup>*

Adjusted Operating Margin

**41.1%**

+ 50 bps<sup>1</sup>

Adjusted EPS

**\$2.07**

+ 14%

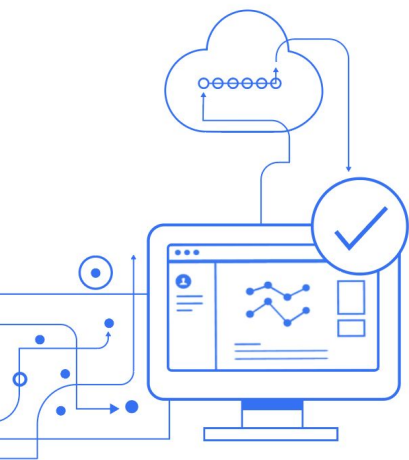
*+15% constant  
currency<sup>2</sup>*

<sup>1</sup> Adjusted operating margin expansion excluding the impact from recent acquisitions was 100 bps.

<sup>2</sup> Adjusted net revenue growth and adjusted EPS growth on a constant currency basis excludes the estimated impact of foreign currency fluctuations and are calculated using average exchange rates during 1Q 2021.

See appendix for a reconciliation to the most comparable GAAP measures.  
Comparisons are to 1Q21 unless otherwise noted.

# Merchant Solutions



	Adjusted Net Revenue	Adjusted Operating Margin
1Q 2022	<b>\$1.34B</b> <b>+16%</b> (+17.3% constant currency) <sup>1</sup>	<b>47.3%</b> <b>+100 bps<sup>2</sup></b>
2022 Outlook	<b>+low double digits</b>	<b>+up to 125 bps<sup>3</sup></b>

## 1Q 2022 Highlights

**18%** Global volume growth  
(+20% constant currency)<sup>1</sup>

**36%** Vertical Market bookings growth

**30%** HCM & Payroll growth

**50%** POS software growth

<sup>1</sup> Adjusted net revenue growth and global volume growth on a constant currency basis exclude the estimated impact of foreign currency fluctuations and are calculated using average exchange rates during 1Q 2021.

<sup>2</sup> Merchant Solutions adjusted operating margin expansion excluding the impact from recent acquisitions was 150 bps.

<sup>3</sup> Total company adjusted operating margin outlook for 2022; adjusted operating margin expansion outlook excluding the impact from recent acquisitions is up to 175 bps.

# Merchant Solutions revenue and volume trends

2020

2021

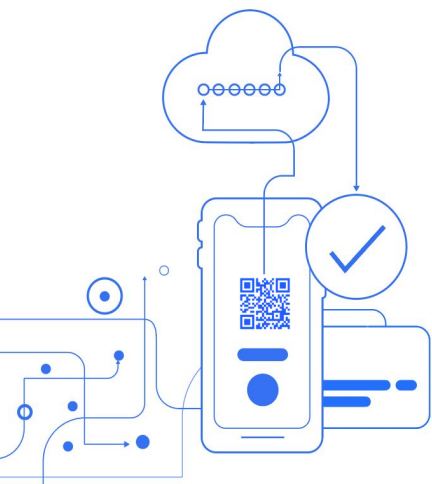
2022

	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
<b>Merchant Solutions Adj. Net Revenue (\$M)</b>	1,101.3	905.7	1,125.4	1,112.3	4,244.7	1,149.8	1,288.7	1,357.6	1,340.0	5,136.1	1,337.2
<i>YoY Growth</i>					-7.6%	4.4%	42.3%	20.6%	20.5%	21.0%	16.3%
<b>Volume (\$B)</b>	176.7	158.5	193.6	196.9	725.7	194.3	225.1	235.7	244.8	899.9	228.6
<i>YoY Growth</i>					-4.1%	10.0%	42.1%	21.7%	24.3%	24.0%	17.7%

Amounts may not sum due to rounding.

See appendix for a reconciliation to the closest GAAP measures.

# Issuer Solutions



	Adjusted Net Revenue	Adjusted Operating Margin
1Q 2022	<b>\$443M</b> <b>+1%</b> (+1.4% constant currency) <sup>1</sup>	<b>42.6%</b> <b>-60 bps<sup>2</sup></b>
2022 Outlook	<b>+mid single digits</b>	<b>+up to 125 bps<sup>3</sup></b>

## 1Q 2022 Highlights

**Mid single digit**  
Normalized growth

**56M** AOF in record  
implementation pipeline

**39** Active prospects  
with AWS

**22%** MineralTree  
bookings growth

<sup>1</sup> Adjusted net revenue growth on a constant currency basis excludes the estimated impact of foreign currency fluctuations and is calculated using average exchange rates during 1Q 2021.

<sup>2</sup> Issuer Solutions adjusted operating margin expanded 50 bps excluding the impact of MineralTree.

<sup>3</sup> Total company adjusted operating margin outlook for 2022; adjusted operating margin expansion outlook excluding the impact from recent acquisitions is up to 175 bps.

"AOF" refers to traditional accounts on file.

See appendix for a reconciliation to the closest GAAP measures.

# 2022 Outlook

Adjusted Net Revenue

**+9% to  
+10%**

*+10% to +11%  
constant currency<sup>2</sup>*

**\$8.42B to  
\$8.50B**

Adjusted Operating Margin

**up to  
125 bps of  
expansion<sup>1</sup>**

Adjusted EPS

**+16% to  
+19%**

*+17% to +20%  
constant currency<sup>2</sup>*

**\$9.45 to  
\$9.67**

**~100% Adjusted Free Cash Flow Conversion<sup>3</sup>**

<sup>1</sup> Adjusted operating margin expansion outlook excluding the impact from recent acquisitions is up to 175 bps.

<sup>2</sup> Adjusted net revenue and adjusted EPS range on a constant currency basis exclude the estimated impact of foreign currency fluctuations and are calculated using average exchange rates during 2021.

<sup>3</sup> Adjusted free cash flow estimated at ~100% of adjusted net income.

See appendix for a reconciliation to the closest GAAP measures.

## Non-GAAP Financial Measures

Global Payments supplements revenues, income, operating income, operating margin, EPS and net operating cash flows determined in accordance with U.S. GAAP by providing these measures with certain adjustments (such measures being non-GAAP financial measures) in this document to assist with evaluating our performance. In addition to GAAP measures, management uses these non-GAAP financial measures to focus on the factors the company believes are pertinent to the daily management of our operations. Management believes adjusted net revenue more closely reflects the economic benefits to the company's core business and allows for better comparisons with industry peers. Management uses these non-GAAP financial measures, together with other metrics, to set goals for and measure the performance of the business and to determine incentive compensation. Adjusted net revenue, adjusted operating income, adjusted operating margin, adjusted net income, adjusted EPS and adjusted free cash flow should be considered in addition to, and not as substitutes for, revenues, operating income, net income, EPS and net operating cash flows determined in accordance with GAAP. The non-GAAP financial measures reflect management's judgment of particular items, and may not be comparable to similarly titled measures reported by other companies.

Adjusted net revenue excludes gross-up related payments associated with certain lines of business to reflect economic benefits to the company. On a GAAP basis, these payments are presented gross in both revenues and operating expenses.

Adjusted operating income, adjusted net income and adjusted EPS exclude acquisition-related amortization expense, share-based compensation expense, acquisition and integration expense and certain other items, such as unusual, direct and discrete costs due to the global pandemic, specific to each reporting period. Adjusted operating margin is derived by dividing adjusted operating income by adjusted net revenue. Adjusted net revenue and adjusted EPS range on a constant currency basis excludes the estimated impact of foreign currency fluctuations and is calculated using average exchange rates during 2021. Adjusted EPS for 2022 excludes the impact of any impairment losses. The tax rate used in determining the income tax impact of earnings adjustments is either the jurisdictional statutory rate in effect at the time of the adjustment or the jurisdictional expected annual effective tax rate for the period, depending on the nature and timing of the adjustment.

Management believes adjusted free cash flow is a useful measure of the company's ability to service debt, return capital to shareholders, invest in the business and demonstrate value creation of our underlying operations. Adjusted free cash flow, a non-GAAP measure, is calculated as net operating cash flows, excluding the impact of settlement processing assets and obligations and acquisition and integration expenses, less capital expenditures and distributions to non-controlling interests. Our measure of adjusted free cash flow reflects management's judgment of particular items and may not be comparable to similarly titled measures reported by other companies. We are not able to reconcile adjusted free cash flow to our projections for the most directly comparable GAAP financial measures without unreasonable efforts due to the complexity, variability and nature of these estimates.



## Reconciliation of Non-GAAP Financial Measures – Adjusted Net Revenue and Adjusted EPS (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

Three Months Ended March 31, 2022					
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Revenues	\$ 2,156,254	\$ (203,600)	\$ -	\$ -	\$ 1,952,654
Operating Income	\$ 375,947	\$ 3,612	\$ 422,913	\$ -	\$ 802,471
Net income attributable to Global Payments	\$ 244,733	\$ 3,612	\$ 423,578	\$ (87,082)	\$ 584,841
Diluted earnings per share attributable to Global Payments	\$ 0.87				\$ 2.07
Diluted weighted average shares outstanding	282,567				282,567

Three Months Ended March 31, 2021					
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Revenues	\$ 1,990,007	\$ (177,789)	\$ -	\$ -	\$ 1,812,218
Operating Income	\$ 275,259	\$ 1,749	\$ 458,107	\$ -	\$ 735,115
Net income attributable to Global Payments	\$ 196,681	\$ 1,749	\$ 450,935	\$ (108,002)	\$ 541,363
Diluted earnings per share attributable to Global Payments	\$ 0.66				\$ 1.82
Diluted weighted average shares outstanding	297,671				297,671

(1) Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended March 31, 2022 and March 31, 2021, net revenue adjustments include \$3.6 million and \$1.7 million, respectively, to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

(2) For the three months ended March 31, 2022, earnings adjustments to operating income included \$329.2 million in cost of services (COS) and \$93.7 million in selling, general and administrative expenses (SG&A). Adjustments to COS represent amortization of acquired intangibles of \$329.0 million and other items of \$0.2 million. Adjustments to SG&A include share-based compensation expense of \$38.4 million, acquisition and integration expenses of \$51.0 million and other items of \$4.3 million.

For the three months ended March 31, 2021, earnings adjustments to operating income included \$329.2 million in COS and \$128.9 million in SG&A expenses. Adjustments to COS represent amortization of acquired intangibles of \$329.2 million. Adjustments to SG&A include share-based compensation expense of \$37.2 million and acquisition and integration expenses of \$91.7 million. Net income attributable to Global Payments also reflects the removal of \$6.3 million of equity method investment earnings from our interest in a private equity investment fund.

Income taxes on adjustments reflect the tax effect of earnings adjustments to income before income taxes. The tax rate used in determining the tax impact of earnings adjustments is either the jurisdictional statutory rate in effect at the time of the adjustment or the jurisdictional expected annual effective tax rate for the period, depending on the nature and timing of the adjustment.

Note: Amounts may not sum due to rounding.

# Reconciliation of Non-GAAP Financial Measures – Segment Adjusted Net Revenue and Adjusted Operating Income (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES  
(In thousands)

	Three Months Ended March 31, 2022			
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Non-GAAP
<b>Revenues:</b>				
Merchant Solutions	\$ 1,473,019	\$ (135,826)	\$ -	\$ 1,337,193
Issuer Solutions	511,501	(68,958)	-	442,543
Business and Consumer Solutions	195,772	-	-	195,772
Intersegment Elimination	(24,038)	1,184	-	(22,854)
	<u>\$ 2,156,254</u>	<u>\$ (203,600)</u>	<u>\$ -</u>	<u>\$ 1,952,654</u>

## Operating Income:

Merchant Solutions	\$ 444,530	\$ 80	\$ 187,508	\$ 632,117
Issuer Solutions	58,102	3,532	127,099	188,733
Business and Consumer Solutions	33,658	-	17,463	51,121
Corporate	(160,343)	-	90,843	(69,500)
	<u>\$ 375,947</u>	<u>\$ 3,612</u>	<u>\$ 422,913</u>	<u>\$ 802,471</u>

	Three Months Ended March 31, 2021			
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Non-GAAP
<b>Revenues:</b>				
Merchant Solutions	\$ 1,267,872	\$ (118,052)	\$ -	\$ 1,149,820
Issuer Solutions	500,251	(60,871)	-	439,380
Business and Consumer Solutions	243,585	-	-	243,585
Intersegment Elimination	(21,701)	1,134	-	(20,567)
	<u>\$ 1,990,007</u>	<u>\$ 177,789</u>	<u>\$ -</u>	<u>\$ 1,812,218</u>

## Operating Income:

Merchant Solutions	\$ 339,989	\$ 294	\$ 191,859	\$ 532,142
Issuer Solutions	68,455	1,455	119,878	189,788
Business and Consumer Solutions	61,923	-	18,939	80,862
Corporate	(195,108)	-	127,431	(67,677)
	<u>\$ 275,259</u>	<u>\$ 1,749</u>	<u>\$ 458,107</u>	<u>\$ 735,115</u>

(1) Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended March 31, 2022 and March 31, 2021, net revenue adjustments include \$3.6 million and \$1.7 million, respectively, to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

(2) For the three months ended March 31, 2022, earnings adjustments to operating income included \$329.2 million in COS and \$93.7 million in SG&A. Adjustments to COS represent amortization of acquired intangibles of \$329.0 million and other items of \$0.2 million. Adjustments to SG&A include share-based compensation expense of \$38.4 million, acquisition and integration expenses of \$51.0 million and other items of \$4.3 million.

For the three months ended March 31, 2021, earnings adjustments to operating income included \$329.2 million in COS and \$128.9 million in SG&A. Adjustments to COS represent amortization of acquired intangibles of \$329.2 million. Adjustments to SG&A include share-based compensation expense of \$37.2 million and acquisition and integration expenses of \$91.7 million.

Note: Amounts may not sum due to rounding.

# Reconciliation of Non-GAAP Financial Measures – Segment Adjusted Net Revenue and Adjusted Operating Income (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

## Year Ended December 31, 2021

	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Revenues	\$ 8,523,762	\$ (785,802)	\$ -	\$ -	\$ 7,737,960
Operating Income	\$ 1,358,876	\$ 5,023	\$ 1,870,448	\$ -	\$ 3,234,347
Net income attributable to Global Payments	\$ 965,460	\$ 5,023	\$ 1,822,626	\$ 396,687	\$ 2,396,422
Diluted earnings per share attributable to Global Payments	\$ 3.29				\$ 8.16
Diluted weighted average shares outstanding	293,669				293,669

## Year Ended December 31, 2020

	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Revenues	\$ 7,423,558	\$ (675,535)	\$ -	\$ -	\$ 6,748,023
Operating Income	\$ 893,953	\$ 10,517	\$ 1,776,841	\$ -	\$ 2,681,311
Net income attributable to Global Payments	\$ 584,520	\$ 10,517	\$ 1,720,973	\$ (393,571)	\$ 1,922,439
Diluted earnings per share attributable to Global Payments	\$ 1.95				\$ 6.40
Diluted weighted average shares outstanding	300,516				300,516

(1) Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. Also, for the twelve months ended December 31, 2021 and December 31, 2020, includes \$5.0 million and \$10.5 million, respectively, to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

(2) For the year ended December 31, 2021, earnings adjustments to operating income included \$1,293.1 million in COS and \$577.3 million in SG&A. Adjustments to COS include amortization of acquired intangibles of \$1,295.0 million and other items of \$(1.9) million. Adjustments to SG&A include share-based compensation expense of \$180.8 million, acquisition and integration expenses of \$340.2 million, facilities exit charges of \$56.8 million and other items of \$(0.5) million. Net income attributable to Global Payments also reflects the removal of \$47.0 million of equity method investment earnings from our interest in a private equity investment fund.

For the year ended December 31, 2020, earnings adjustments to operating income included \$1,283.3 million in COS and \$493.5 million in SG&A. Adjustments to COS include amortization of acquired intangibles of \$1,257.8 million and other items of \$25.5 million. Adjustments to SG&A include share-based compensation expense of \$148.8 million, acquisition and integration expenses of \$319.5 million and other items of \$25.2 million. For 2020, other COS and SG&A items include employee termination benefits and other incremental charges directly related to COVID-19. Net income attributable to Global Payments also reflects the removal of a \$27.7 million gain associated with the fair value of shares received from the partial conversion of Visa Inc. convertible preferred shares, the removal of \$33.9 million of equity method investment earnings from our interest in a private equity investment fund, and the removal of a \$8.7 million loss associated with the partial sale of an ownership position in a strategic partner.

Income taxes on adjustments reflect the tax effect of earnings adjustments to income before income taxes. The tax rate used in determining the tax impact of earnings adjustments is either the jurisdictional statutory rate in effect at the time of the adjustment or the jurisdictional expected annual effective tax rate for the period, depending on the nature and timing of the adjustment.

Note: Amounts may not sum due to rounding.



## Reconciliation of Non-GAAP Financial Measures – 2022 Outlook Summary (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In billions, except per share data)

	2021	2022 Outlook	% Change
<u>Revenues:</u>			
GAAP Revenues	\$8.52	\$9.22 to \$9.30	8% to 9%
Adjustments <sup>(1)</sup>	(0.78)	(0.80)	
Adjusted Net Revenue	<u>\$7.74</u>	<u>\$8.42 to \$8.50</u>	<u>9% to 10%</u>
<u>Earnings Per Share:</u>			
GAAP diluted EPS	\$3.29	\$4.50 to \$4.72	37% to 43%
Adjustments <sup>(2)</sup>	4.87	4.95	
Adjusted EPS	<u>\$8.16</u>	<u>\$9.45 to \$9.67</u>	<u>16% to 19%</u>

(1) Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefit to the company. Amounts also include adjustments to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

(2) Adjustments to 2021 GAAP diluted EPS include the removal of 1) software-related contract liability adjustments described above of \$0.02, 2) acquisition related amortization expense of \$3.39, 3) share-based compensation expense of \$0.47, 4) acquisition and integration expense of \$0.89, 5) facilities exit charges of \$0.15, 6) other items of \$(0.01), 7) equity method investment earnings from our interest in a private equity investment fund of \$(0.16) and 8) discrete tax items of \$0.12. Adjustments to 2021 GAAP diluted EPS include the effect on noncontrolling interests and income taxes, as applicable.