

2017 FIRST QUARTER

April 25, 2017



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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 2016 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 contains 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, EBITDA, adjusted EBITDA, adjusted diluted earnings per share, adjusted segment operating income and adjusted segment operating margin. The most comparable GAAP measures to these measures include the following: revenues, operating margin, revenues, cash flows from operating activities, net income, net income, diluted earnings per share, operating income and operating margin, 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 are set forth in the Appendix to this slide presentation.



M. Troy Woods

Chairman and Chief Executive Officer





Paul Todd

Chief Financial Officer



CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

	QTD 2017	QTD 2016	Percent Change
Total Revenues	\$1,184,725	\$739,378	60.2%
Net Revenue⁽¹⁾	832,892	671,644	24.0
Adjusted EBITDA⁽¹⁾	287,237	230,829	24.4
Adjusted Diluted EPS⁽¹⁾	\$0.82	\$0.66	25.4

(1) Non-GAAP financial measure; See Appendix

2017 First Quarter CONSOLIDATED HIGHLIGHTS

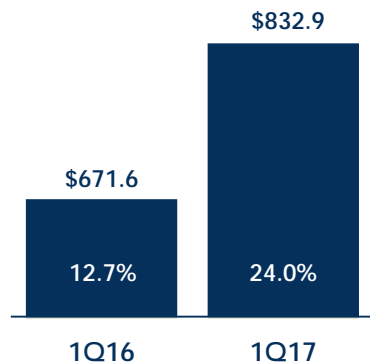
- New segment structure to better align the business
- Record level of net revenue
- YOY margin expansion

1st Quarter
Net Revenue by Segment⁽¹⁾⁽²⁾



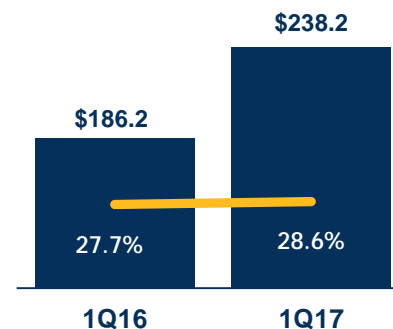
Consolidated Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Operating Income⁽¹⁾
Operating Margin⁽³⁾

(\$ in millions)



(1) Non-GAAP financial measure; See Appendix

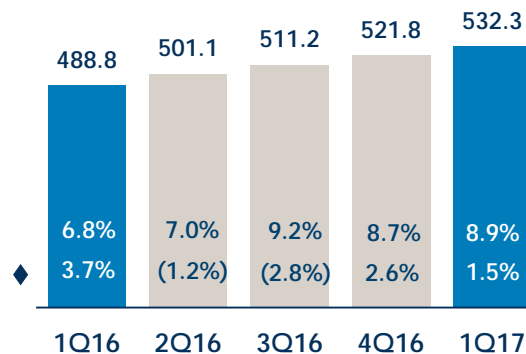
(2) External Revenue

(3) Net revenue

2017 First Quarter ISSUER SOLUTIONS SEGMENT HIGHLIGHTS

- Record level of net revenue
- Record level of traditional AOF
- Operating margin in 1Q16 benefited from non-recurring items

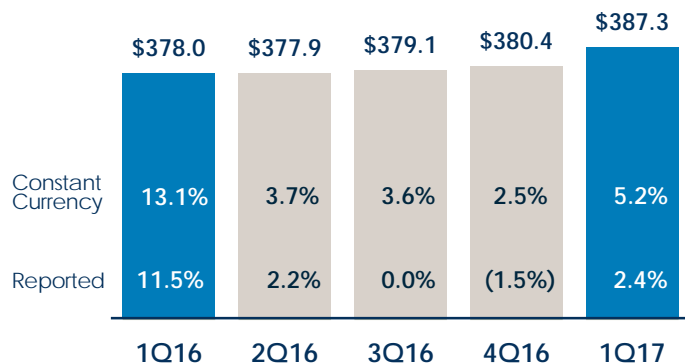
Traditional Accounts on File
(in millions) YOY Growth %



(◆) Growth Including Prepaid, Government Services and Single Use Accounts

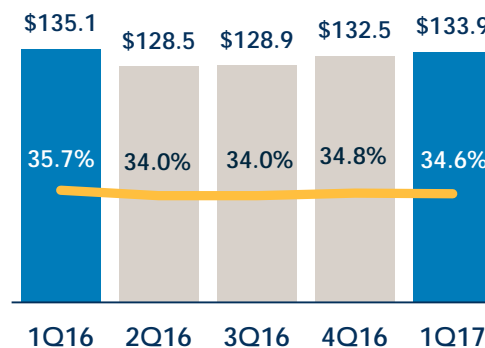
Segment Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾
Operating Margin⁽²⁾

(\$ in millions)



(1) Non-GAAP financial measure; See Appendix

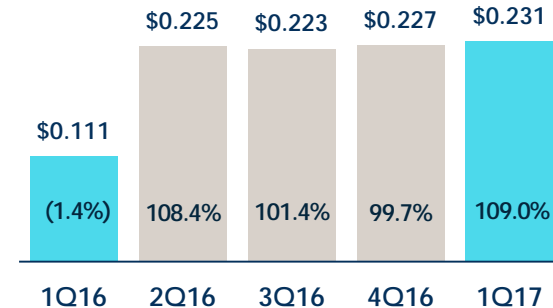
(2) Net Revenue

2017 First Quarter

MERCHANT SOLUTIONS SEGMENT HIGHLIGHTS

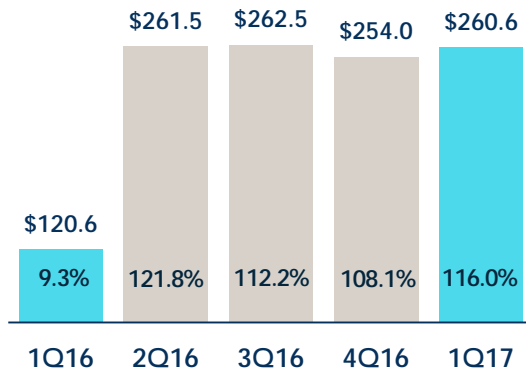
- TransFirst integration on-track and synergies on target
- Predictable revenue stream focused on fast growing SMB and integrated channels
- Strong and improving operating margin

Segment Net Revenue per Transaction⁽¹⁾
YOY Growth %



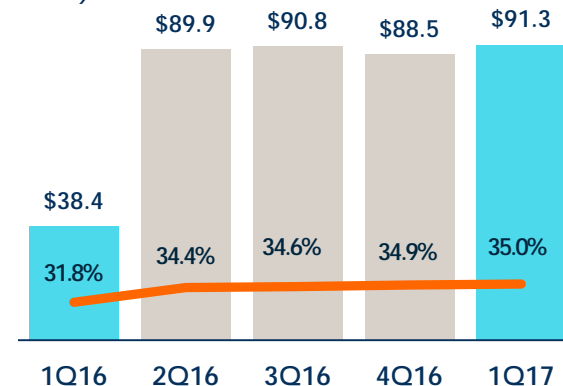
Segment Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾
Operating Margin⁽²⁾

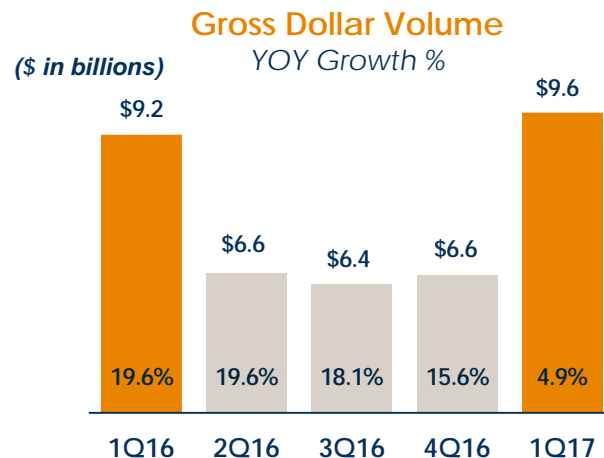
(\$ in millions)



(1) Non-GAAP financial measure; See Appendix
(2) Net Revenue

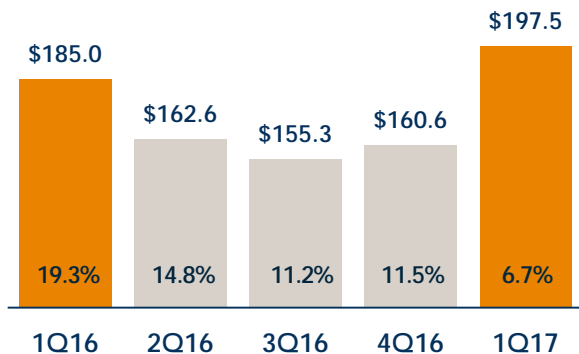
2017 First Quarter NETSPEND SEGMENT HIGHLIGHTS

- Signed key agreements to continue product diversification
- Record level of debit active cards at 5.1 million
- Strong YOY margin expansion



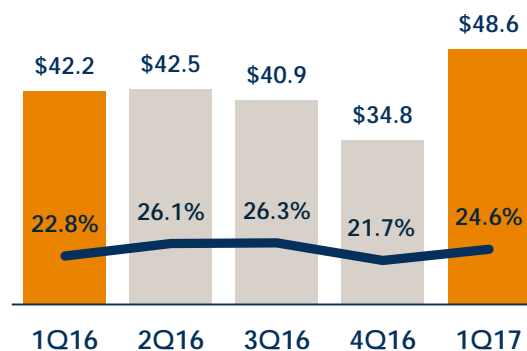
Segment Net Revenue⁽¹⁾
YOY Growth %

(\$ in millions)



Adjusted Segment Operating Income⁽¹⁾
Operating Margin⁽²⁾

(\$ in millions)



(1) Non-GAAP financial measure; See Appendix
(2) Net Revenue

2017 First Quarter SEGMENT OPERATING MARGIN AND CONSOLIDATED ADJUSTED OPERATING MARGIN

Three Months Ended March 31, 2017

<i>(in thousands)</i>	Adjusted Segment Operating Income ⁽¹⁾	Net Revenue ⁽¹⁾	Adjusted Operating Margin ⁽¹⁾
Issuer Solutions	\$133,873	\$387,255	34.57%
Merchant Solutions	91,279	260,561	35.03%
Netspend	48,648	197,465	24.64%
Intersegment	--	(12,389)	
Corporate administration excluding share-based compensation	(35,574)	--	
Subtotal	\$238,226	\$832,892	28.60%
Amortization of acquisition intangibles	(55,167)		
TransFirst M&A expenses ⁽²⁾	(4,868)		
Litigation, claims, judgments or settlements	(1,961)		
Share-based compensation	(9,047)		
Operating income (US GAAP)	\$167,183		

(1) Non-GAAP financial measure; See Appendix

(2) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

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2017 REVISED GUIDANCE*

(in millions, except per share data)

Revenue:

Total revenues (GAAP)

Net revenue⁽¹⁾ (non-GAAP)

Earnings per share:

Diluted EPS (GAAP)

Adjusted diluted EPS attributable to
TSYS common shareholders⁽¹⁾ (non-
GAAP)

Weighted average diluted shares
outstanding

	Range		Range Percent Change	
Total revenues (GAAP)	\$4,770	to	\$4,870	14% to 17%
Net revenue ⁽¹⁾ (non-GAAP)	\$3,295	to	\$3,395	8% to 12%
Diluted EPS (GAAP)	\$2.25	to	\$2.32	30% to 34%
Adjusted diluted EPS attributable to TSYS common shareholders ⁽¹⁾ (non- GAAP)	\$3.16	to	\$3.26	13% to 17%
Weighted average diluted shares outstanding	185			

*See guidance assumptions; See Appendix
(1) Non-GAAP financial measure; See Appendix

Q&A



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APPENDIX



2017 First Quarter

APPENDIX: Accounts on File Portfolio Summary

<i>(in millions)</i>	March 2017	March 2016	% Change	March 2017	December 2016	% Change
Consumer	450.0	414.8	8.5	450.0	442.9	1.6
Commercial	50.0	46.3	8.0	50.0	47.9	4.3
Other	32.3	27.7	16.5	32.3	31.0	4.2
Traditional AOF	532.3	488.8	8.9	532.3	521.8	2.0
Prepaid*/Stored Value	54.1	103.1	(47.6)	54.1	57.8	(6.5)
Government Services	90.3	82.7	9.2	90.3	88.7	1.9
Commercial Card Single Use	85.3	75.9	12.5	85.3	83.2	2.6
Total AOF	<u>762.0</u>	<u>750.5</u>	<u>1.5</u>	<u>762.0</u>	<u>751.5</u>	<u>1.4</u>

* Prepaid does not include Netspend accounts

APPENDIX: Non-GAAP Items – Net Revenue, Adjusted EBITDA and Adjusted Diluted EPS

- 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, nonoperating income/(expense), taxes, depreciation, amortization and share-based compensation expenses, litigation, claims, judgments or settlements 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 merger & acquisition expenses.
- Adjusted segment operating income is operating income at the segment level adjusted for amortization of acquisition intangibles.
- Adjusted segment operating margin is adjusted segment operating income divided by segment net revenue.
- 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, 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.

APPENDIX: Non-GAAP Reconciliation – Net Revenue

(in thousands)

	<u>Three Months Ended</u>	
	<u>3/31/17</u>	<u>3/31/16</u>
Total revenues	\$1,184,725	\$739,378
Less: reimbursable items, interchange and assessments expenses*	351,833	67,734
Net revenue	<u>\$832,892</u>	<u>\$671,644</u>

* Relates to acquisition of TransFirst, which closed April 1, 2016

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APPENDIX: Non-GAAP Reconciliation – Adjusted Segment Operating Income and Operating Margin

(in thousands)

	<u>Three Months Ended</u>	
	<u>3/31/17</u>	<u>3/31/16</u>
Adjusted segment operating income		
By segment: Issuer Solutions (a)	\$133,873	\$135,077
Merchant Solutions (b)	91,279	38,357
Netspend (c)	48,648	42,201
Less: Acquisition intangible amortization	(55,167)	(22,921)
Less: Corporate admin and other	(44,621)	(37,626)
Less: TransFirst M&A expenses ⁽¹⁾	(4,868)	(3,401)
Less: Litigation, claims, judgments or settlements	(1,961)	--
Operating income	\$167,183	\$151,687
Net revenue		
By segment: Issuer Solutions (d)	\$387,255	\$378,009
Merchant Solutions (e)	260,561	120,612
Netspend (f)	197,465	184,992
Less: Intersegment revenues	(12,389)	(11,969)
Add: Reimbursable items, interchange and assessments expenses	351,833	67,734
Total revenues	\$1,184,725	\$739,378
Adjusted segment operating margin:		
Issuer Solutions (a) / (d)	34.57%	35.73%
Merchant Solutions (b) / (e)	35.03%	31.80%
Netspend (c) / (f)	24.64%	22.81%

(1) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

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APPENDIX: Non-GAAP Reconciliation – Constant Currency Net Revenue

<i>(in thousands)</i>	<u>Three Months Ended</u>		Percentage Change
	<u>3/31/17</u>	<u>3/31/16</u>	
Consolidated:			
Constant currency ⁽¹⁾	\$843,231	\$671,644	25.5%
Foreign currency impact ⁽²⁾	(10,339)	--	
Net revenue	<u>\$832,892</u>	<u>\$671,644</u>	24.0%
Issuer solutions:			
Constant currency ⁽¹⁾	\$397,590	\$378,009	5.2%
Foreign currency impact ⁽²⁾	(10,335)	--	
Net revenue	<u>\$387,255</u>	<u>\$378,009</u>	2.4%

(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.

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APPENDIX: Non-GAAP Reconciliation – Constant Currency Total Revenues

<i>(in thousands)</i>	<u>Three Months Ended</u>		Percentage Change
	<u>3/31/17</u>	<u>3/31/16</u>	
Consolidated:			
Constant currency ⁽¹⁾	\$1,195,848	\$739,378	61.7%
Foreign currency impact ⁽²⁾	(11,123)	--	
Total revenues	<u>\$1,184,725</u>	<u>\$739,378</u>	60.2%
Issuer solutions:			
Constant currency ⁽¹⁾	\$448,235	\$429,713	4.3%
Foreign currency impact ⁽²⁾	(11,118)	--	
Total revenues	<u>\$437,117</u>	<u>\$429,713</u>	1.7%

(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.

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APPENDIX: Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

	Three Months Ended	
	3/31/17	3/31/16
<i>(in thousands)</i>		
Net income :		
As reported (GAAP)	\$107,107	\$92,408
Adjust for:		
Less: Equity in income of equity investments	(12,909)	(6,248)
Add: Income taxes	43,082	43,429
Add: Nonoperating expense	29,903	22,098
Add: Depreciation and amortization	104,178	67,583
EBITDA	\$271,361	\$219,270
Adjust for:		
Add: Share-based compensation	9,047	8,158
Add: TransFirst M&A expenses ⁽¹⁾	4,868	3,401
Add: Litigation, claims, judgments or settlements	1,961	--
Adjusted EBITDA	\$287,237	\$230,829

(1) Costs associated with the TransFirst acquisition and integration that are included in selling, general and administrative expenses.

APPENDIX: Non-GAAP Reconciliation – Adjusted Diluted EPS

(in thousands, except per share data)

	<u>Three Months Ended</u>	
	3/31/17	3/31/16
Income from continuing operations attributable to TSYS common shareholders:		
As reported (GAAP) (a)	\$105,868	\$90,628
Adjust for amounts attributable to TSYS common shareholders:		
Add: Acquisition intangible amortization	55,002	22,645
Add: Share-based compensation	9,041	8,149
Add: TransFirst M&A expenses ⁽¹⁾	4,825	13,183
Add: Litigation, claims, judgments and settlements	1,961	--
Less: Tax impact of adjustments ⁽²⁾	(24,432)	(13,895)
Adjusted earnings (b) (non-GAAP)	\$152,265	\$120,710
Weighted average diluted shares outstanding (c)	184,938	183,886
Diluted EPS – Net income attributable to TSYS common shareholders (a) / (c) (GAAP)	\$0.57	\$0.49
Adjusted diluted EPS- Net income attributable to TSYS common shareholders (b) / (c) (non-GAAP)	\$0.82	\$0.66

(1) Costs associated with the TransFirst acquisition and integration that are 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 acquisition.

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2017 REVISED GUIDANCE*

(in millions, except per share data)

	Range			Range Percent Change		
Total revenues (GAAP)	\$4,770	to	\$4,870	14%	to	17%
Less: reimbursable items, interchange and assessments expenses	1,475	to	1,475			
Net revenue (non-GAAP)	\$3,295	to	\$3,395	8%	to	12%
Diluted EPS (GAAP)	\$2.25	to	\$2.32	30%	to	34%
Acquisition intangible amortization, share-based compensation, litigation, claims, judgments or settlements and TransFirst M&A expenses, less the tax impact of adjustments	0.91	to	0.94			
Adjusted diluted EPS attributable to TSYS common shareholders (non-GAAP)	\$3.16	to	\$3.26	13%	to	17%
Weighted average diluted shares outstanding	185					

(* See guidance assumptions)

APPENDIX: 2017 Revised Guidance Assumptions

The guidance assumes:

- There will be no significant movements in the London Interbank Offered Rate, and TSYS will not make any significant draws on the remaining balance of its credit facility;
- 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 other than as previously disclosed; and
- The economy will not worsen.
- Additionally, the impact of future share repurchases is not included.