



## Press Release

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# TSYS Reports Third Quarter Earnings

## *Revises Revenue Guidance and Reaffirms EPS Guidance*

**COLUMBUS, Ga., October 25, 2016** — TSYS (NYSE: TSS) reported results for the third quarter of 2016.

"We were very pleased with this quarter's financial performance as all four of our operating segments exceeded our expectations. We remain on track with our TransFirst integration activities and continue to be laser-focused on successfully combining our legacy merchant businesses with TransFirst," said M. Troy Woods, chairman and chief executive officer of TSYS.

### **Highlights for the third quarter of 2016 include:**

- Total revenues were \$1.1 billion, an increase of 62.0% over last year's \$707.9 million.
- Net revenue (non-GAAP), which excludes reimbursable items, interchange and assessment expense, was \$789.6 million, an increase of 24.1% over last year's \$636.4 million.
- GAAP net income attributable to TSYS common shareholders was \$85.4 million, a decrease of 29.2% from last year's \$120.6 million. GAAP basic earnings per share (EPS) were \$0.46 per share, a decrease of 29.2% from last year's \$0.66.
- Adjusted EBITDA (non-GAAP) was \$269.1 million, an increase of 12.7% over last year's \$238.9 million. Q3 '15 results included tax benefits of \$15.1 million that did not recur in 2016.
- Adjusted earnings (non-GAAP) were \$130.7 million, a decrease of 8.8% over last year's \$143.3 million. Q3 '15 adjusted earnings and adjusted EPS (non-GAAP) included \$23.6 million and \$0.13, respectively, of tax related benefits that did not recur in 2016. Q3 '16 adjusted EPS was \$0.71, which included \$0.06 of headwinds for currency and severance expenses, a decrease of 8.7% over last year's \$0.78.

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“Our cash flow from operating activities and free cash flow for the first nine months of the year were both records. This allowed us to reduce our debt by \$175 million during the quarter, bringing the total debt reduction to \$300 million year to date,” said Woods.

During the third quarter, currencies, including the rapid and steep decline in the British Pound compared to the U. S. Dollar, negatively impacted total revenues and net revenue by \$14 million and \$13 million, respectively, on a constant currency basis compared to 2015. A similar impact is expected in Q4. This same constant currency comparison negatively impacted EPS by \$0.03 in Q3 '16 and is expected to have a similar impact in Q4.

The Consumer Financial Protection Bureau released its long-awaited rule on prepaid financial products on October 5, 2016. The new rule is not expected to have a significant financial impact on 2016 results. Additional details on the impact of the new rule will be discussed at today's quarterly conference call.

### Updated 2016 Outlook

As a result of currency headwinds, total and net revenue guidance are being adjusted. EPS guidance remains unchanged. The resulting revised guidance is below.

	2016 Revised Financial Outlook Range		Percent Change	
<i>(in millions, except per share amounts)</i>				
<b>Revenue:</b>				
Total revenues (GAAP)	\$4,150	to	\$4,170	49% to 50%
Net revenue (non-GAAP)	\$3,030	to	\$3,045	21% to 22%
<b>Earnings per share:</b>				
Basic EPS (GAAP)	\$1.77	to	\$1.83	(10%) to (7%)
Adjusted EPS attributable to TSYS common shareholders from continuing operations (non-GAAP)	\$2.78	to	\$2.85	13% to 16%
Average basic weighted shares	183.7			

### Conference Call

TSYS will host its quarterly conference call at 5:00 p.m. ET on Tuesday, October 25. The conference call can be accessed via simultaneous Internet broadcast 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.

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## 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 EPS, and a reconciliation of those measures to the most directly comparable GAAP measures is included on pages 11 to 15 of this release.

## About TSYS

TSYS® (NYSE: TSS) unlocks opportunities in payments for payment providers, businesses and consumers. Our headquarters are in Columbus, Georgia, USA, and we operate in more than 80 countries with local offices across the Americas, EMEA and Asia-Pacific.

We provide seamless, secure and innovative solutions across the payments spectrum — from issuer processing and merchant acquiring to prepaid program management — delivered through partnership and expertise. We succeed because we put people, and their needs, at the heart of every decision. It's an approach we call 'People-Centered Payments®'.

Our industry is changing every day — and we're leading the way toward the payments of tomorrow. We routinely post all important information on our website. For more, visit us at [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' expectation with respect to the impact of constant currency on revenues and EPS in the fourth quarter of 2016, the expected impact of the Consumer Financial Protection Bureau's new rule regarding prepaid financial products on TSYS' 2016 results, TSYS' earnings guidance for 2016 total revenues, net revenue, basic EPS and adjusted 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*

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*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 closed TransFirst 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 are incurred associated with the signing of a significant client; TSYS does not convert clients' portfolios 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; 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; 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.*

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