



## Press Release

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# TSYS Reports Fourth Quarter and Full Year Earnings *Provides 2017 Guidance*

**COLUMBUS, Ga., January 24, 2017** — TSYS (NYSE: TSS) today reported results for the fourth quarter and full year of 2016.

“2016 was truly an exceptional year in the history of our company. We delivered record financial results, completed our largest acquisition in TransFirst that doubled the size of our Merchant business, and finished the year with results in all four segments having met or exceeded our goals,” said M. Troy Woods, chairman and chief executive officer of TSYS.

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

- Total revenues were \$1.1 billion, an increase of 57.9% over last year’s \$716.8 million.
- Net revenue (non-GAAP), which excludes reimbursable items, interchange and assessment expense, was \$785.7 million, an increase of 21.8% over last year’s \$645.1 million.
- Income from continuing operations attributable to TSYS common shareholders was \$74.0 million, a decrease of 9.2% from last year’s \$81.4 million. Basic earnings per share (EPS) from continuing operations were \$0.40 per share, a decrease of 9.3% from last year’s \$0.44.
- Adjusted earnings from continuing operations (non-GAAP) were \$129.6 million, an increase of 24.7% over last year’s \$103.9 million. 4<sup>th</sup> quarter ‘16 adjusted EPS from continuing operations (non-GAAP) was \$0.71, an increase of 24.5% over last year’s \$0.57.
- Adjusted EBITDA (non-GAAP) was \$266.5 million, an increase of 36.7% over last year’s \$195.0 million.

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### Highlights for the full year of 2016 include:

- Total revenues were \$4.2 billion, an increase of 50.0% over last year's \$2.8 billion.
- Net revenue (non-GAAP), which excludes reimbursable items, interchange and assessment expense, was \$3.0 billion, an increase of 21.7% over last year's \$2.5 billion.
- Income from continuing operations attributable to TSYS common shareholders was \$319.6 million, a decrease of 11.9% from last year's \$362.6 million. Basic EPS was \$1.74 per share, a decrease of 11.6% from last year's \$1.97.
- Adjusted earnings from continuing operations (non-GAAP) were \$516.4 million, an increase of 14.2% over last year's \$452.1 million. Adjusted EPS from continuing operations (non-GAAP) was \$2.81, an increase of 14.5% over last year's \$2.46.
- Adjusted EBITDA (non-GAAP) was \$1.0 billion, an increase of 24.8% over last year's \$833.9 million.

"We expect the momentum of 2016 to continue in 2017. We are projecting strong organic revenue growth and double digit earnings growth as we remain laser focused on executing our strategic plans and delivering outstanding results," said Woods.

### 2017 Segment Changes

As a result of combining our North America and International segments, TSYS has included in the financial schedules of this release a schedule recasting its 2016 and 2015 quarterly segment results as if its Issuer Solutions Segment was combined for all of 2016 and 2015.

### 2017 Outlook

Beginning in 2017, TSYS will provide adjusted EPS figures based upon diluted shares to be more comparative to our industry peers. The 2017 guidance is below.

|   | 2017 Financial<br>Outlook Range |    | Percent<br>Change |            |
|---|---------------------------------|----|-------------------|------------|
| <i>(in millions, except per share amounts)</i>                              |                                 |    |                   |            |
| <b>Revenue:</b>   |                                 |    |                   |            |
| Total revenues (GAAP)   | \$4,750                         | to | \$4,850           | 14% to 16% |
| Net revenue (non-GAAP)  | \$3,275                         | to | \$3,375           | 8% to 11%  |
| <b>Earnings per share:</b>  |                                 |    |                   |            |
| Diluted EPS (GAAP)  | \$2.14                          | to | \$2.21            | 23% to 28% |
| Adjusted diluted EPS attributable to TSYS<br>common shareholders (non-GAAP) | \$3.05                          | to | \$3.15            | 9% to 12%  |
| Average diluted weighted shares   | 185                             |    |                   |            |

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## Conference Call

TSYS will host its quarterly conference call at 5:00 p.m. ET on Tuesday, January 24. 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.

## 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 in the financial schedules 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' earnings guidance for 2017 total revenues, net revenue, diluted EPS and adjusted diluted EPS, and the*

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*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 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 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 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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