



# Wirecard AG – Investor Presentation

results 6 months of fiscal 2010

# Agenda

**1**

Results, Company and Stock

**2**

Growth Drivers, Trends and Outlook 2010

**3**

Financial Data

## Results

### 6 Months of Fiscal 2010 / 2009

			6M 2010	6M 2009	Change in %
<b>Results 6 Months</b>	▪ Revenues	EUR mn	123.8	103.6	20%
	▪ EBITDA	EUR mn	33.5	27.4	22%
	▪ EBIT	EUR mn	30.9	25.6	21%
	▪ Earning after taxes	EUR mn	26.8	20.3	32%
	▪ Cash flow (adjusted)	EUR mn	26.4	22.2	19%
	▪ Earnings per share (diluted)	EUR	0.26	0.20	30%

**Guidance 2010** EBITDA in a bandwidth between 70 to 75 mn euros

## Company

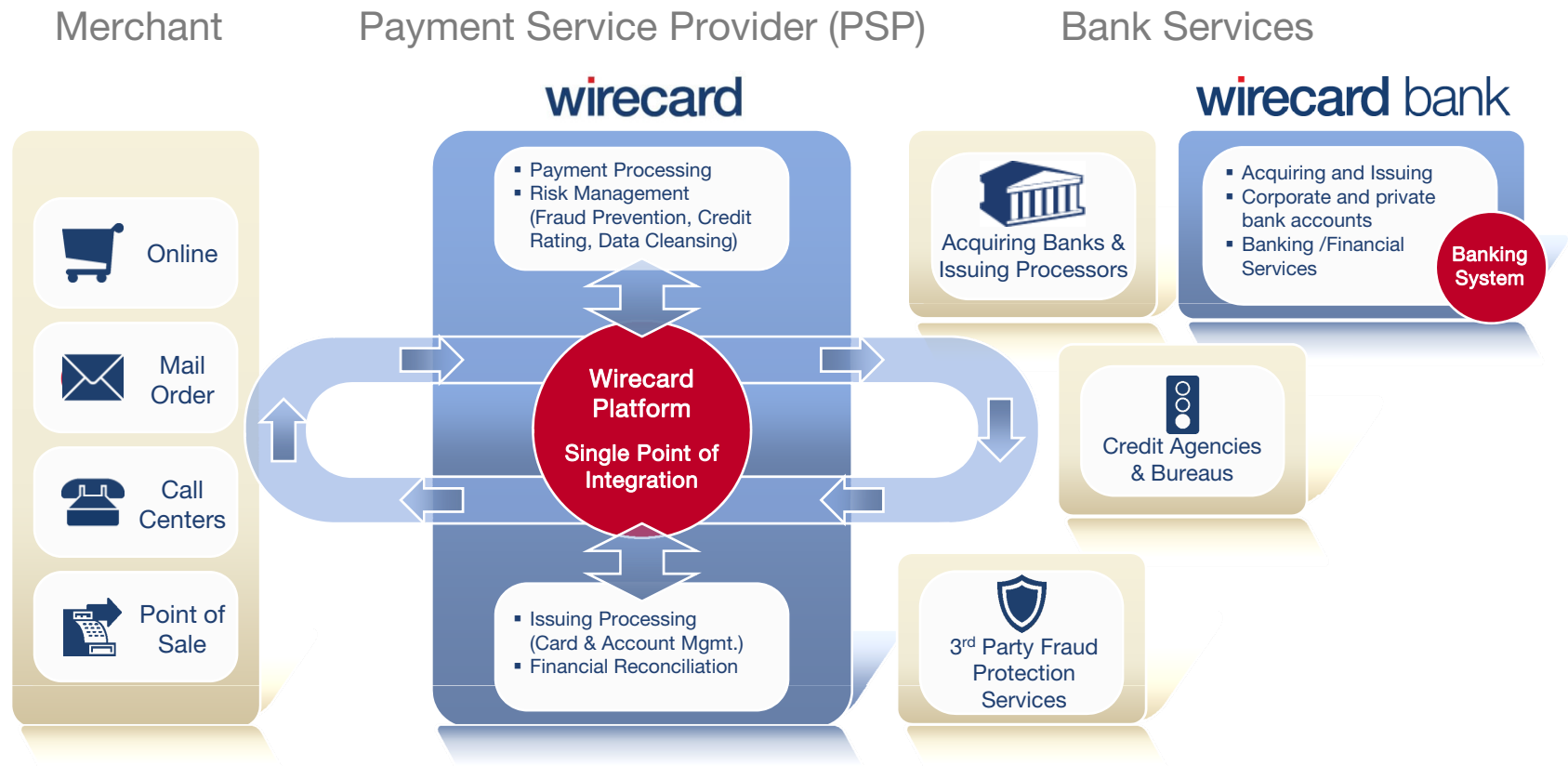
# Highlights 6 Months of 2010

- **Various new customer relationships**, e.g. redcoon (Online specialist discounter for electrical and electronic appliances), Channel21 (Germany's third largest tele-shopping TV station), Transhotel (One of the largest European B2B hotel platforms), L'TUR (The European market leader for Last Minute-Travel).
- **Sales or strategic cooperations**, e.g. Metro Deutschland, Lekkerland (Convenience wholesaler).
- **Adjustments/ broadening of product lines**, e.g. risk management: the Fraud Prevention Suite which provides merchants with optimum fraud detection facilities; Issuing: new prepaid card mywirecard 2go Visa a reloadable Visa prepaid card.
- **Extension of distribution activities** for co-branded products was intensified.
- **Successful Asian expansion**

## Company Key Figures

- > 11,000** corporate customers from various industries
- 500** employees
- 120** transaction currencies
- 85** payment and risk management solutions
- 5,8** billion euros in transaction volume (as at June 30, 2010)

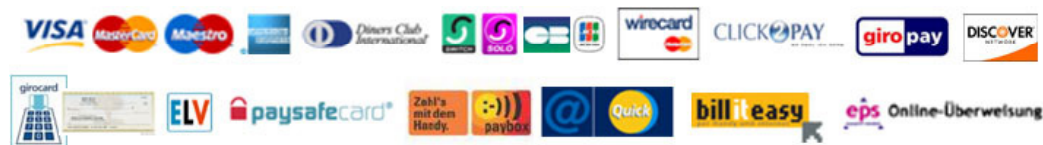
# Company Integrated Business Model



# Company

## Products and Services

<b>Credit Card Acquiring</b>	Wirecard Bank Principal Member of Visa, MasterCard / licensed acquirer for Diners, Discover and JCB
<b>Funds Transfer</b>	SWIFT, SEPA, IZV/AZV and domestic direct debit via Wirecard Bank
<b>Payment Processing</b>	Support of all major inter-/ national payment methods
<b>Risk Management</b>	Comprehensive protection for merchants
<b>Bank Accounts</b>	Corporate and private bank accounts
<b>Card Products</b>	Prepaid cards, virtual or physical, for single or continuous use
<b>Point-of-Sale (PoS)</b>	Support of all (!) sales channels, including stationary retail stores
<b>Call Center</b>	Operation of own call center facility, 24/7 in 16 languages



Company

## Unique Approach

### Software technology meets banking products

#### Software as a basis

- Business Process Outsourcing (BPO) “electronic payments“
- Payment gateway (incl. risk management) combined with acquiring/banking services as a package

#### International service offering

##### All services via a single platform

- Branch- and customer-specific solutions for globally oriented merchants
- Supplementary banking services such as corporate accounts or currency management
- Industry-specific risk management solutions
- Online-oriented acquiring bank services (e.g. 15 payout currencies)

#### Innovative “hybrid” solutions

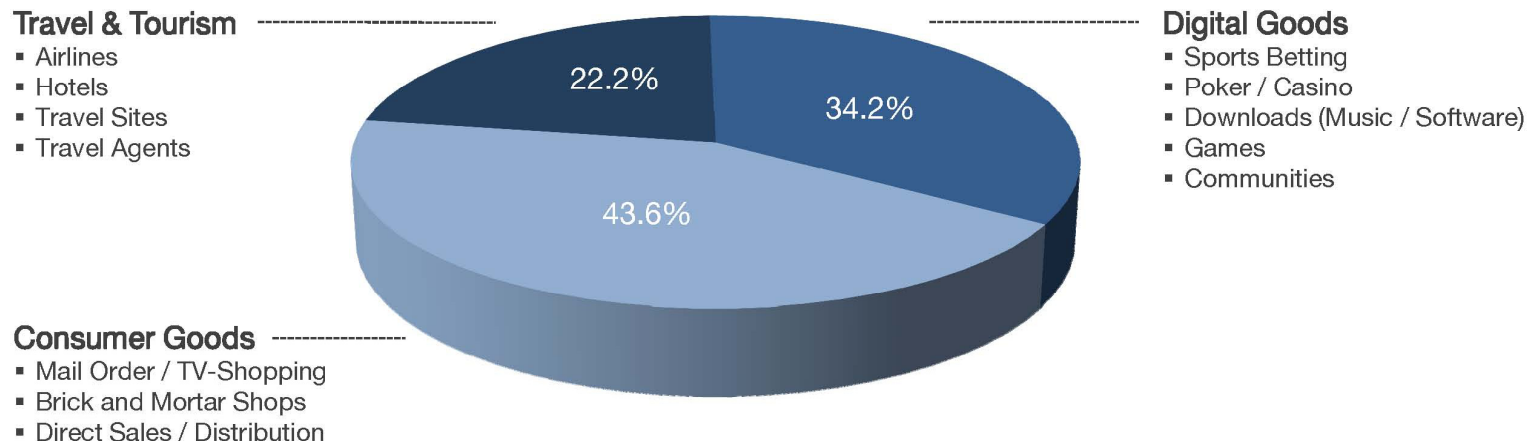
- Combining software knowledge and bank products
- B2B: virtual credit card platform for Supplier and Commission Payments (SCP)
- B2C: Card products addressing the growth market “prepaid” – fully online registration process in more than 30 European countries (virtual or physical card)  
> [www.mywirecard.com](http://www.mywirecard.com)



## Company

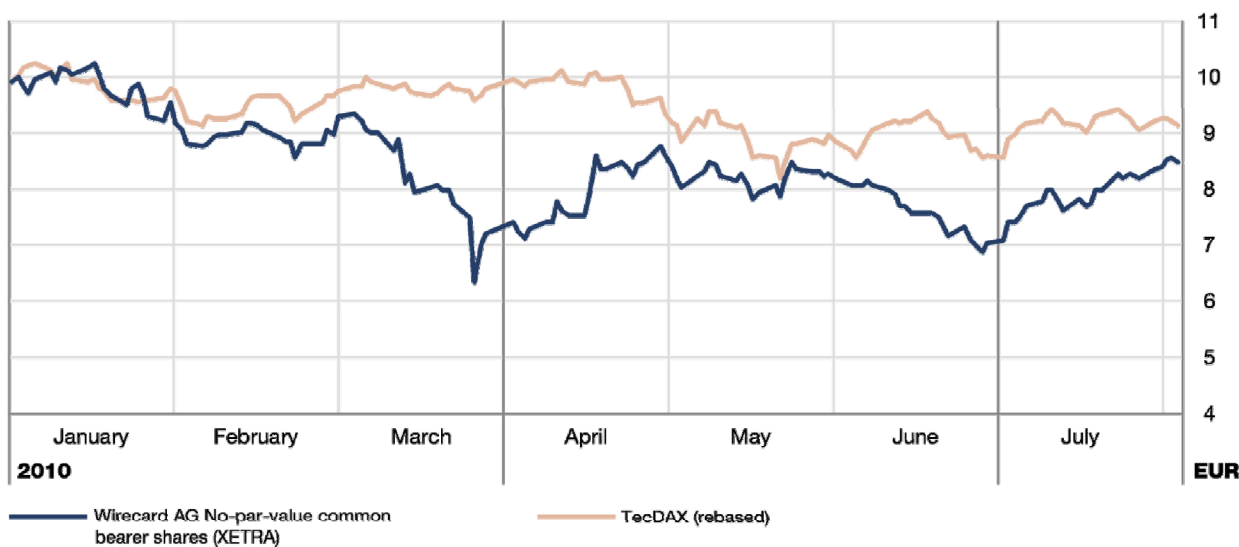
# Diversified Customer Portfolio – Various Industries

In the 1<sup>st</sup> half year of 2010 the transaction volume\* amounted to 5.8 billion euros (+23% yoy) and is allocated as at the end of the 2<sup>nd</sup> quarter 2010 to the individual target industry segments as follows:



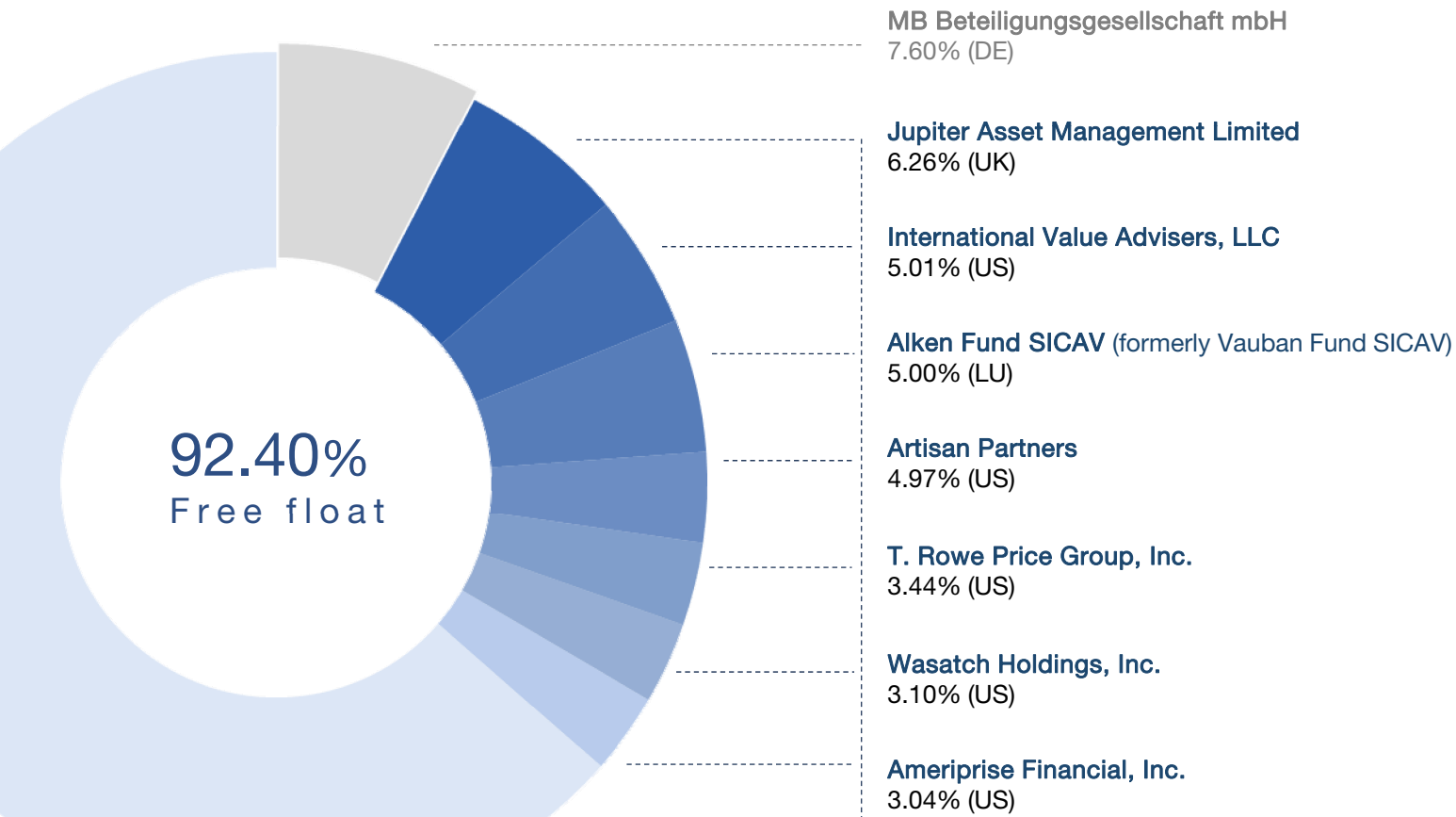
\* Transaction volume in connection with financial services as well as the acceptance and issuing of means of payment by industry

# Wirecard Stock Stock Performance



ISIN	DE0007472060
WKN	747206
Ticker Symbol	WDI
Market Segment	Prime Standard
Index	TecDAX
Number of Shares	101,803,139
Year High 2010	10.25 EUR
Year Low 2010	5.07 EUR
Closing Price (Xetra) 17.08.2010	8.48 EUR
Market Cap. 17.08.2010	863 mn EUR

# Wirecard Stock Shareholder Structure | August 2010



free float in accordance to Deutsche Börse regulations

## Agenda

1

Results, Company and Stock

2

Growth Drivers, Trends and Outlook 2010

3

Financial Data

## Growth Drivers

# Growth of European eCommerce to continue

**Consumer Goods** Year-on-year growth of ~11% 2009 to 2014 within 17 European countries (Forrester)

- In 2010, Europe's B2C-online commerce volume is expected to reach 150 bn euros.
- 60% of revenues in German mail-order segment are being generated via the Internet. 12% growth expected in 2010. (bvh 2010)

**Digital Goods** Interactive entertainment benefits of growing number of internet users

- Market for video games\* to grow more than 18% yoy by 2013. (Strategic Analytics)
- Sports bets/poker/casino industry: double-digit growth rates over the next two years. (H2 2009)

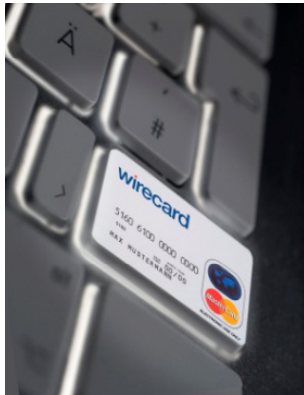
\* digital downloads, online subscription services, in-game advertising and the sale of virtual products within the games

**Tourism** The shift from stationary business to the Internet continues

- The average annual growth in 2010/2011 in Western Europe\* is expected to be between 8 to 8.5%. (PhoCusWright 2009)  
e.g. Germany (10%), Spain (12-13%), UK (4%)
- Germany accounts for ~20% of the European online travel volume. (PhoCusWright 2009)

# Growth Drivers eCommerce- and Outsourcing-Market

## eCommerce



The Internet has become established as a distribution channel worldwide.

- Nearly 2 billion people worldwide with access to the Internet. (Internet WorldStats, June 2010)
- 11% to 13% Annual growth of the overall European eCommerce market by 2010 (2009: ~10%).
- Change of consumer behavior, transition from stationary stores to the Internet.
- Shifting of non-real-time payment methods to real-time payment schemes (credit and debit cards).

## Outsourcing

... is driven by the need to cut costs

- Business Process Outsourcing (BPO) covers the outsourcing of partial business processes that, while important in themselves do not offer any strategic competitive advantages: e.g. payment processing. (BizAcumen, Inc. 2009)

## Wirecard Strategy

# Key Operative Measures

### **Cross-/ Up-Selling** potential in current customer portfolio

- Up-selling of risk management, banking services and card products
- Additional revenues from interest income or currency and cash management for merchants

### **New Customers** by direct sales and partners

- Wirecard as a European partner for companies in Asia and the Americas
- Wirecard Bank as an acquiring partner for European payment service providers

### **Asia** as key growth market for the future

- Further expansion of Wirecard Asia Pacific
- Extension of business relations with local bank and processing partners

## Market Trends

# Innovative Technologies

### Prepaid Cards



Circulation of Visa and MasterCard debit cards accelerating throughout Europe

#### Advantages for merchants and consumers

- Access to electronic payments open for all consumers without credit rating
- Through strategic cooperation with Lekkerland, Wirecard Group is stepping up the marketing of prepaid cards at the Point of Sale.  
→ *mywirecard 2go Visa* for offline and online usage

### IP-based processing

Technological convergence of Point of Sale (PoS) and card-not-present transactions

#### Advantages for merchants

- New generation of stationary terminals supporting IP-based connection technologies Unified standard for wire transfers, direct debits and card payments
- PoS merchants can take advantage of the same real-time-based tools as our online merchants – in addition to technological convergence in payment acceptance on the Internet or via call centers already in place.



## Outlook 2010 Strategy and Objectives

# Guidance 2010: EBITDA between EUR 70 to 75 mn

### Strategic Objectives



- **Growth strategy** relying on organic growth in our target markets of Europe and Asia.
- **Product development measures** coordinated in accordance with our existing product lines: card-based payment methods, alternative payment methods, risk management and fraud prevention as well as issuing (card products).
- We exploit opportunities emerging through **prevailing market and technology trends** which are compatible with Wirecard's core business.
- Leveraging of **up-/ cross-selling potential** of Wirecard Bank.

## Agenda

1

Results, Company and Stock

2

Growth Drivers, Trends and Outlook 2010

3

Financial Data

## Financial Data

# Key Figures Half Year 2009/2010

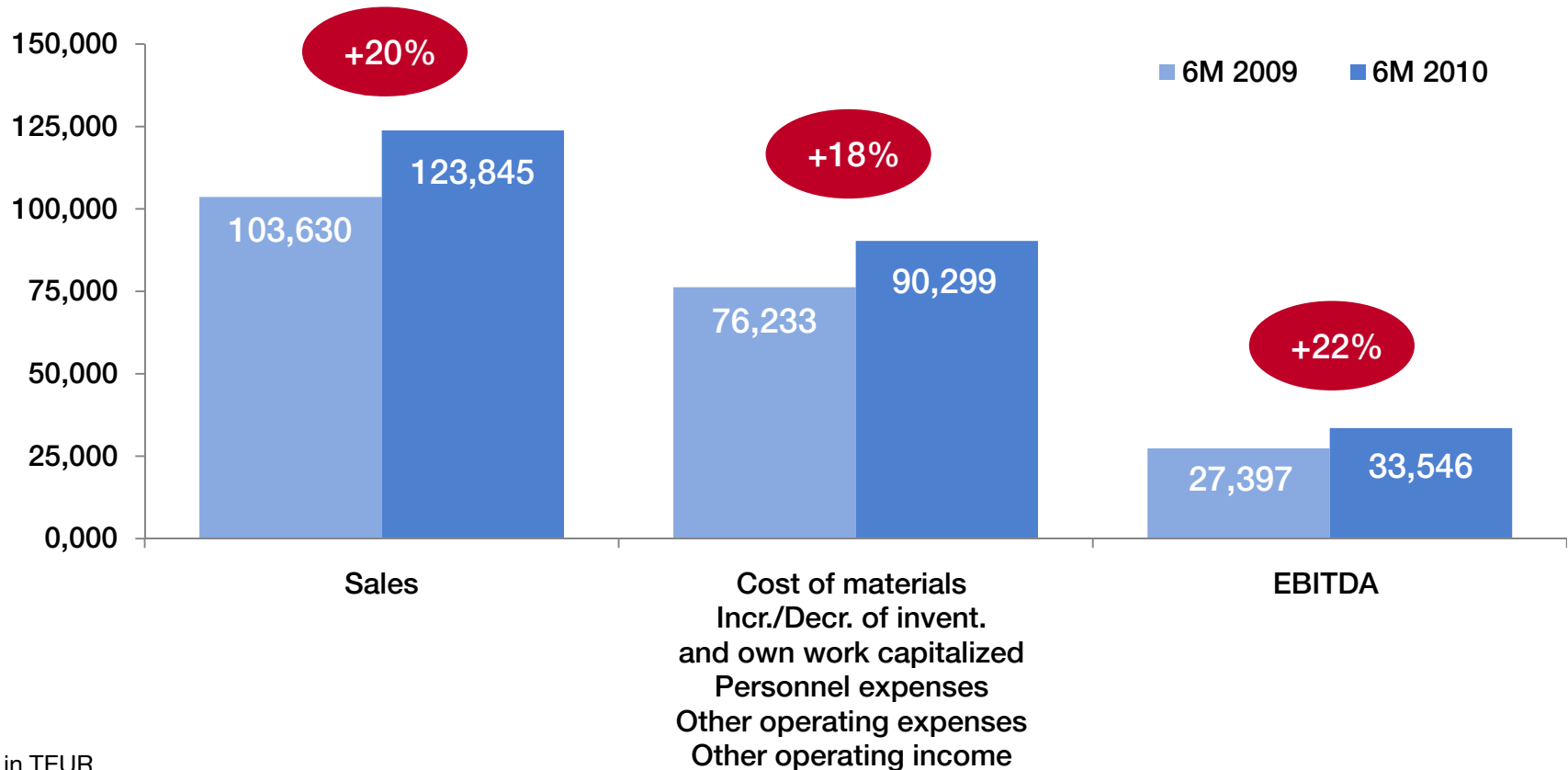
In TEUR	Half Year 2009	Half Year 2010	Change in %
Sales revenues	103,630	123,845	+20%
EBITDA	27,397	33,546	+22%
EBIT	25,560	30,866	+21%
Profit after Taxes	20,258	26,776	+32%
EPS*	0.20	0.26	+30%
Operating Cash flow**	22,207	26,408	+19%
Shareholders' Equity	219,402	262,720	+20%
Total Equity and Liabilities	472,786	517,364	+9%
Employees – annual average	451	509	+13%
thereof full-time employees	336	376	+12%
thereof part-time employees	115	133	+16%

\* Earnings per share – in EUR (diluted)

\*\* Cash flow on ordinary trading activity (adjusted for transaction volumes of a transitory nature)

## Financial Data

# Sales, Costs and EBIT Growth Half Year 2009/2010



in TEUR

## Financial Data

# Consolidated Income Statement Half Year 2009/2010

in TEUR	Half Year 2009	of Sales	Half Year 2010	of Sales
<b>Sales</b>	103,630		123,845	
Own work capitalized	2,217		2,531	
Cost of materials	(57,870)	56%	(67,137)	54%
Personnel expenses	(12,743)	12%	(14,218)	11%
Depreciation	(1,836)	2%	(2,680)	2%
Other operating expenses	(9,756)	9%	(12,005)	10%
Other operating income	1,918		530	
<b>Net operating income</b>	<b>25,560</b>	<b>24.7%</b>	<b>30,866</b>	<b>24.9%</b>
Financial results	(617)		(321)	
Income tax	(4,685)		(3,769)	
<b>Profit after taxes</b>	<b>20,258</b>		<b>26,776</b>	
Diluted earnings per share	0.20		0.26	

## Financial Data

# Financial comments

### Income tax expenses Half Year 2009/2010

Additional to the impact from the actual income tax expenses the income taxes were influenced by the deferred tax expenses:

in TEUR	Half Year 2009	in % of profit before taxes	Half Year 2010	in % of profit before taxes
Earnings before taxes	24,943		30,545	
Taxes on income and profit	(4,685)	(18.8)%	(3,769)	(12.3)%
thereof impact from deferred taxes	(1,954)		(1,509)*	
thereof actual income taxes	(2,731)	(10.9)%	(2,260)	(7.4)%

\* Including outside basis differences in the amount of EUR 684K

## Financial Data

# Companies per operational areas

### Payment Processing & Risk Management (PP&RM)

- Wirecard AG
- Wirecard Technologies AG
- Wirecard (Gibraltar) Ltd.
- Wirecard Payment Solutions Holdings Ltd.
- Click2Pay GmbH
- Wirecard Retail Services GmbH
- Pro Card Kartensysteme GmbH
- Qenta paymentsolutions Beratungs und Informations GmbH
- E-Credit Plus Pte. Ltd. Group

### Acquiring & Issuing (A&I)

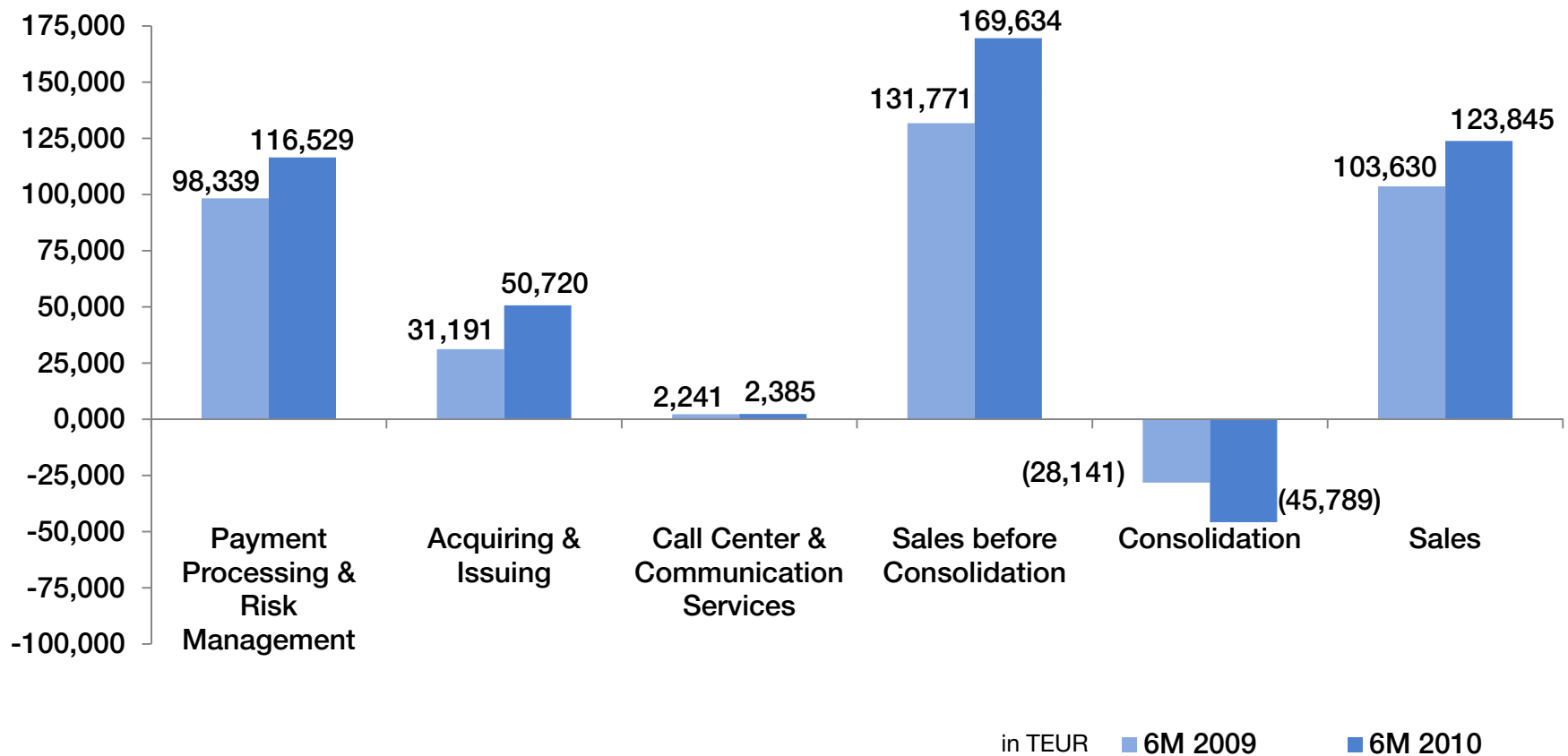
- Wirecard Bank AG

### Call Center & Communication Services (CC&CS)

- Wirecard Communication Services GmbH

## Financial Data

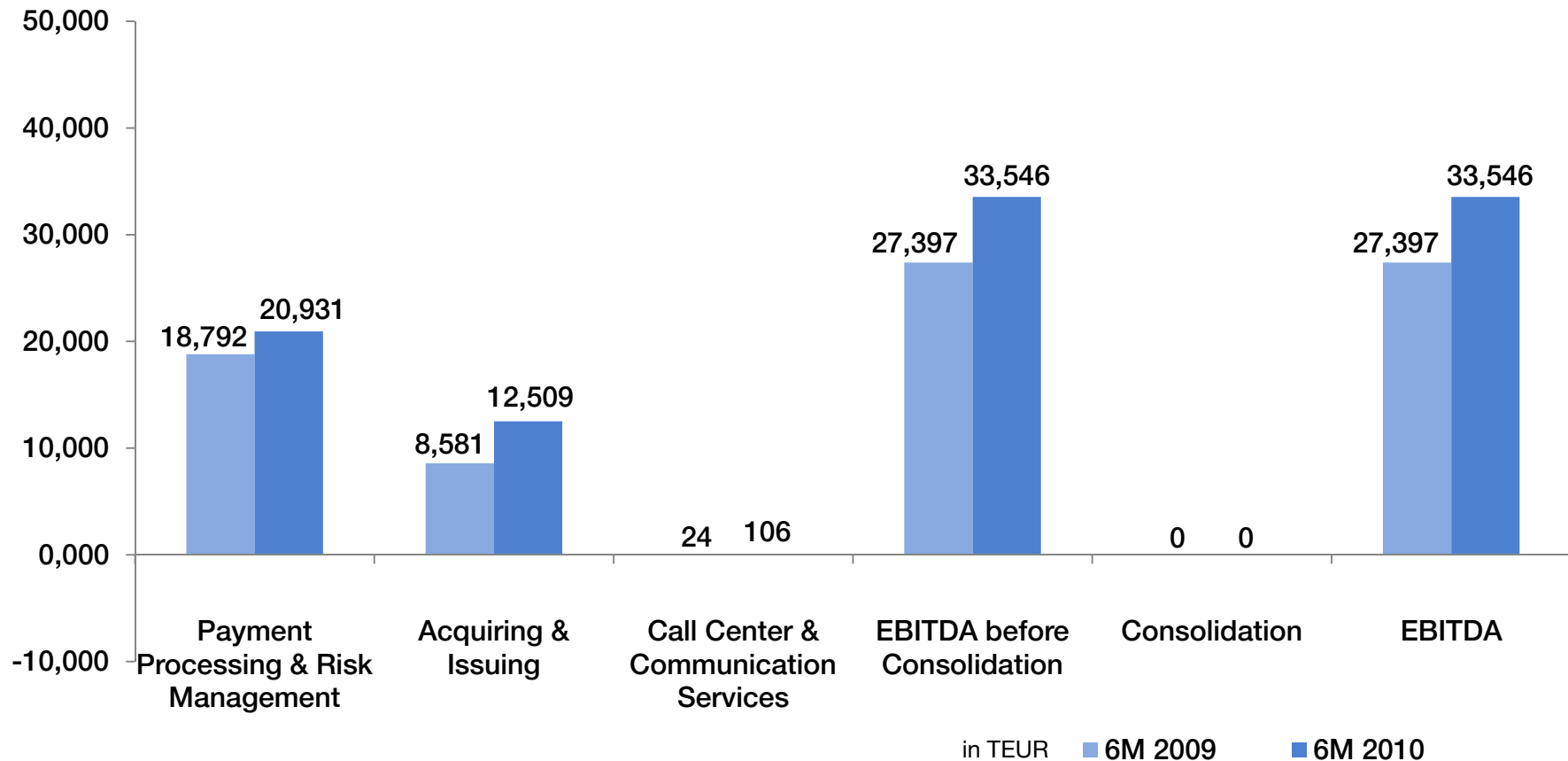
# Sales per operating divisions Half Year 2009/2010





## Financial Data

# EBITDA per operating divisions Half Year 2009/2010



## Financial Data

# Balance Sheet as of June 30, 2010 / December 31, 2009

ASSETS	12/31/2009	06/30/2010	EQUITY AND LIABILITIES	12/31/2009	06/30/2010
<b>NON-CURRENT ASSETS</b>	185,373	235,152	<b>SHAREHOLDERS' EQUITY</b>	244,882	262,720
- Goodwill	90,289	101,340	<b>LIABILITIES</b>	295,686	254,644
- Deferred tax assets	4,351	3,052	- Current provisions	1,241	1,406
- Self-provided intangible assets	12,723	14,394	- Tax provisions	1,099	1,731
- Other intangible assets	11,577	13,313	- Trade payables	140,479	125,597
- Customer-relationships	48,650	50,008	- Interest-bearing bank loans	5,510	4,545
- Other assets*	17,783	53,045	- Deferred income taxes	6,315	6,863
<b>CURRENT ASSETS</b>	355,195	282,212	- Other liabilities	18,222	13,126
- Trade receivables	80,562	99,207	- Customer deposits	122,820	101,376
- Cash and cash equivalents *	272,529	182,290			
- Other	2,104	715			
<b>Total ASSETS</b>	540,568	517,364	<b>Total EQUITY and LIABILITIES</b>	540,568	517,364

in TEUR \* Due to the investment in interest-bearing securities reported under financial and other assets, the volume of cash and cash equivalents is down by EUR 46,517K year-on-year.

## Disclaimer

This presentation contains explicit and implicit forward-looking statements concerning Wirecard AG, its affiliated companies and their business. These statements are subject to various known and unknown risks, uncertainties and other factors due to which the actual events, financial conditions, performances and achievements of Wirecard AG may differ substantially from those expressed in such explicit or implicit statements. Wirecard AG makes these statements at the time of the publication of the presentation and is under no obligation to update the forward-looking statements in this presentation including on receipt of new information or on occurrence of future events or for other reasons. However, Wirecard AG, may change in its own free discretion any forward-looking statements should relevant factors change.

The forward-looking statements from third parties' surveys, in particular without being limited to research reports and analysts' statements, may prove to be incorrect. Reference to such third parties' surveys is provided for information only and does not imply any agreement with or consent to the content of such surveys or the information, opinions or conclusions contained therein. Wirecard AG accepts no liability for the selection, completeness or correctness of third parties' studies.

This presentation is no offer for the sale and no invitation for offers of purchase or for subscription to of shares of Wirecard AG but is provided for information only.

Financial data (IAS/IFRS) refers to the Reports of Wirecard AG published on our website:  
<http://www.wirecard.com/investor-relations>



# Contact

Wirecard AG

Bretonischer Ring 4  
85630 Grasbrunn/Munich  
Germany

IR Contact

Iris Stöckl  
[iris.stoeckl@wirecard.com](mailto:iris.stoeckl@wirecard.com)  
Phone: +49 89 4424 1424