

A large, intricate wireframe sculpture of a hand holding a pen, rendered in a light gray color. The sculpture is composed of many thin, overlapping lines that create a sense of depth and texture. The hand is positioned as if writing, with the pen held between the fingers. The background is a light gray with a subtle pattern of fine, parallel lines.

# Wirecard AG

**Investor Presentation – Results First Half 2016**

August 2016

## Content

1. Highlights
2. Industry and regions
3. Mergers and acquisitions
4. Outlook
5. Financial data



An abstract graphic composed of a dense grid of thin, light-colored lines. The lines are arranged to form a three-dimensional, wireframe-like structure that resembles a stylized human head or a complex, curved surface. The background is a solid, warm orange color. The overall effect is that of a technical or architectural drawing rendered in a digital, wireframe style.

# 1. Highlights

# Wirecard at a glance



27.4 EUR bn processed transaction volume worldwide in 6M 2016



Outstanding track record with continuing growth and strong fundamentals



~ 25,000 large and medium sized merchants  
~ 130,000 small sized merchants



Innovation leader with state of the art internet and mobile payment technology



Global M&A strategy adding to organic success



Unique value chain with fully integrated and licensed banking operations

## Key figures first half 2016

Results in EUR mn (except where stated)	6M 2016	6M 2015	Change
Transaction volume (in EUR bn)	27.4	20.2	35%
Revenues	451.8	340.1	33%
EBITDA	132.4	98.3	35%
EBIT adjusted*	114.0	84.6	35%
EBIT	99.6	72.5	37%
Earnings after taxes	166.8	60.9	174%
Earnings after taxes adjusted**	77.0	60.9	26%
Operating cash flow***	113.4	85.6	32%
Free cash flow****	84.9	62.5	36%
Earnings per share (in EUR, undiluted)	1.35	0.49	176%
Earnings per share adjusted** (in EUR, undiluted)	0.62	0.49	27%

### EBITDA guidance for FY2016 of 290 - 310 EUR mn

\* Adjusted for amortisation (M&A related)

\*\* Adjusted for Visa Europe

\*\*\* Consolidated cash flow from operating activities (adjusted)

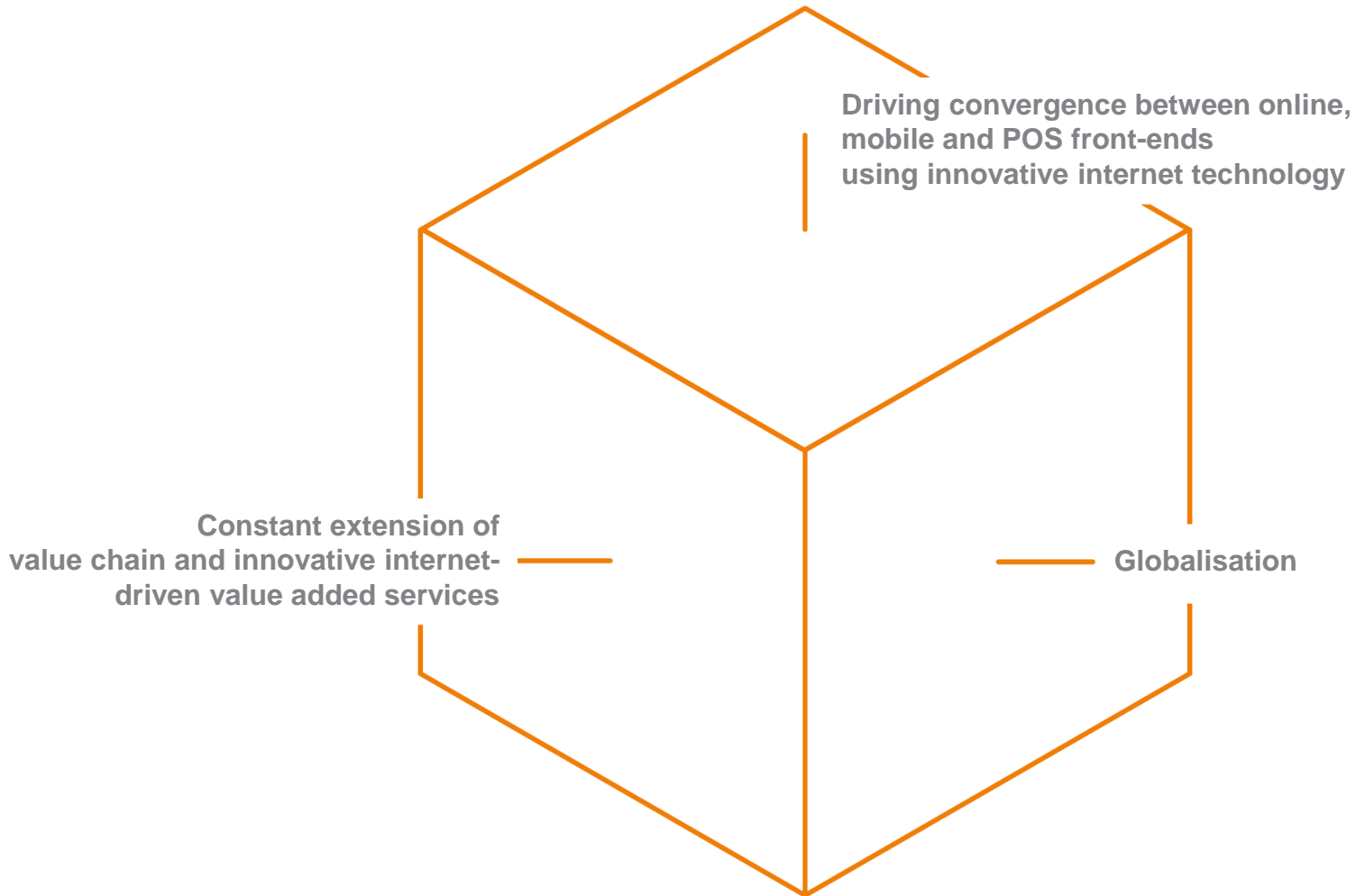
\*\*\*\* Cash flow from operating activities (adjusted) less operative CAPEX



# Global mega trends driving Wirecard's growth

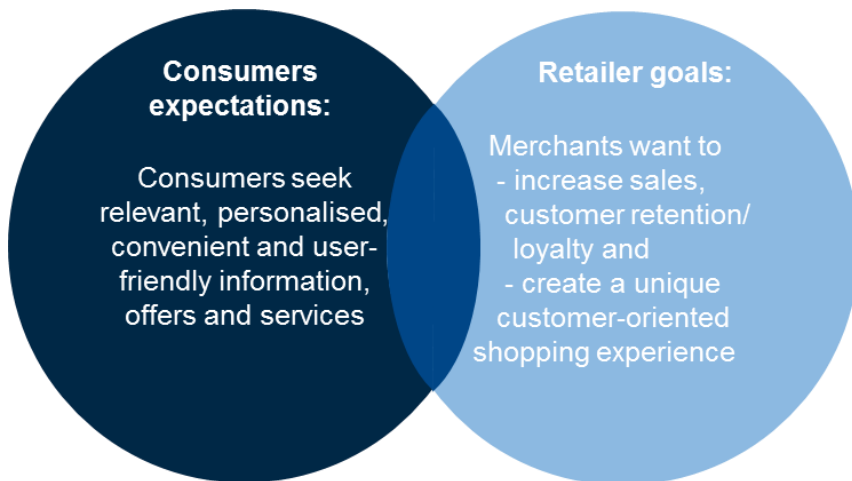
- 1 Substitution of POS transactions by mobile and internet transactions
- 2 Transition from cash transactions to electronic card transactions
- 3 Transition from non-real-time transactions to real-time transactions
- 4 Internet technology as convergence driver between all sales channels – POS, mobile and internet – omni-channel

# Wirecard's strategy



## Data-centric value-added-services

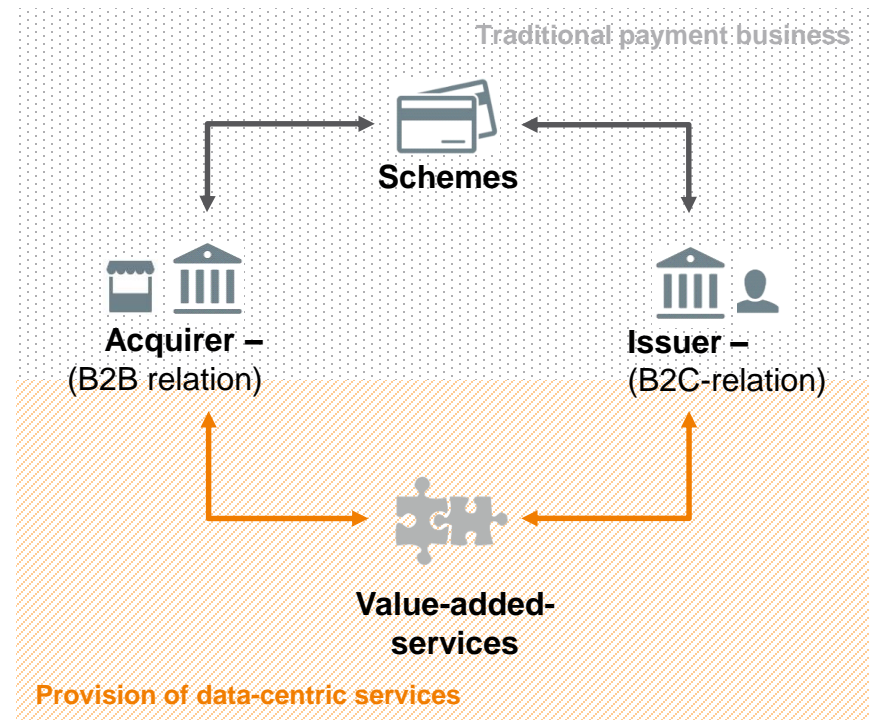
**Current trends in data driven commerce –** driven by new technology and the real-time capabilities it enables:



### Challenges:

The lack of data captured offline  
The inability to converge, unify and apply digital and physical data (customer-, product-, pricing- and inventory-data across all channels)

**Payments** are most valuable – they provide purchase information, but also act as a trigger for actionable data (e.g. customer loyalty)

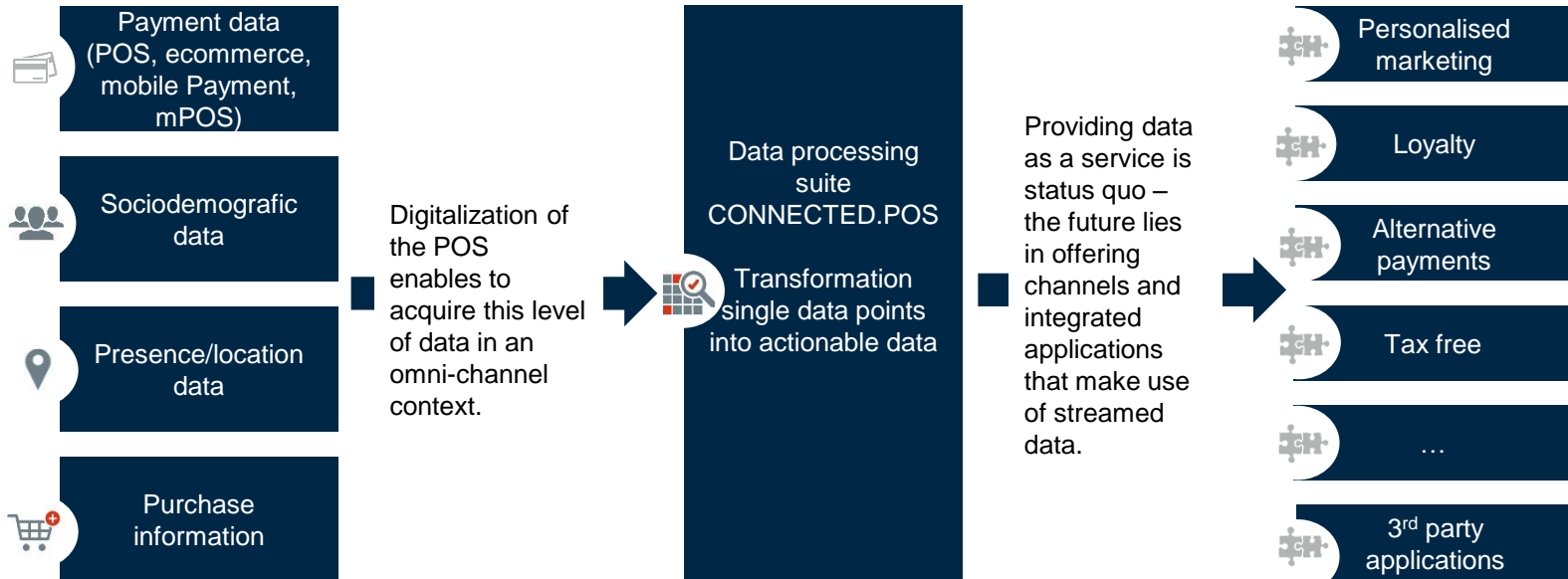


**Wirecard's end-to-end payment value chain -** enables the offering of data-centric services



## Data-centric value-added-services

### CONNECTED.POS (cPOS)



### Value-add through analytics - Wirecard already brought first projects to the market:

Providing a targeting channel – based on mobile wallet data

Targeting suite is fully integrated into loyalty self-service platform and combines:

- sociodemographic targeting (age, gender)
- location data (zip codes)
- finance data (transaction sums)
- inferred data (rfm analysis, customer groups)

mobile wallets do not only serve as the source of data, but also as the channel to the customer.

## Organic versus M&A<sup>1</sup> related growth yoy 6M 2016

	Transaction volume growth	Revenue growth	EBITDA growth
<b>Total</b>	<b>35.3%</b>	<b>32.8%</b>	<b>34.6%</b>
→ Organic	29.2%	20.0%	25.4%
→ M&A	6.1%	12.8%	9.2%
→GI Retail	4.6%	10.2%	7.4%
→MoIP	0.9%	1.6%	0.6%
→Provus	0.5%	1.0%	1.3%

<sup>1</sup> Payment business of GI Retail Group, India; MoIP Pagamentos, Brazil; Provus Group, Romania

# Operative highlights first half 2016

New customer gains in the first half 2016 with a potential transaction volume of **8.4 EUR bn**

### Examples of customer gains, business extensions and new partners

Microsoft Cloud Platform Azure, Siemens Mobility, Verlagsgruppe Handelsblatt, Visa Europe Collab, ÖBB, T-Systems Eurotrade Flughafen München Handels-GmbH, Takko, MyOrder B.V., Ingenico, Verifone, Apple Pay

### boon. UK launch together with Apple Pay

Wirecard's Host Card Emulation (HCE) app for mobile payment – redefining smartphone payments. As a digital payment solution for smartphones boon combines innovative payment functions, loyalty points and couponing as well as a range of personal finance services. The app communicates with point of sale terminals via Near Field Communication (NFC). Together with Apple Pay boon was launched in the UK and is the first fully digitalised mobile payment solution available within Apple Pay.

### Eurotrade Flughafen München Handels GmbH

The cooperation with eurotrade Flughafen München Handels-GmbH underlines Wirecard's international convergence strategy. Eurotrade is an airport retailer specialising in the operation of airport shops and cooperates with numerous international brands that present their product ranges at the airport. Wirecard has integrated Alipay Barcode Payment into eurotrade's central checkout system for this purpose.

### Ingenico partnership in Indonesia

As part of the collaboration, Wirecard is able to provide its payment solutions and services via Ingenico's point-of-sale terminals in Indonesia

### Verifone partnership in Asia Pacific

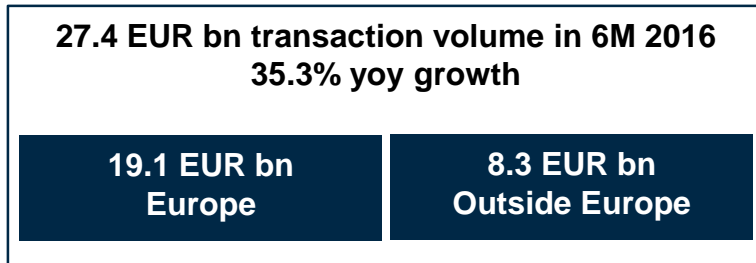
Wirecard entered into a strategic alliance with Verifone to rapidly expand the point-of-sale market in Asia Pacific.



An abstract graphic composed of a dense grid of thin, light blue lines. The lines are arranged to form a three-dimensional, wireframe-like structure that resembles a stylized human profile or a complex architectural form. The lines are more densely packed in some areas, creating a sense of depth and volume. The overall effect is a modern, digital aesthetic.

## 2. Industry and regions

## Transaction volume – industry and geographic view



### Travel & mobility

- Includes airlines, hotel chains, travel portals, tour operators, ferries, car rental and transportation companies
- Travel & mobility up 1.0 EUR bn, with 21.1% yoy growth

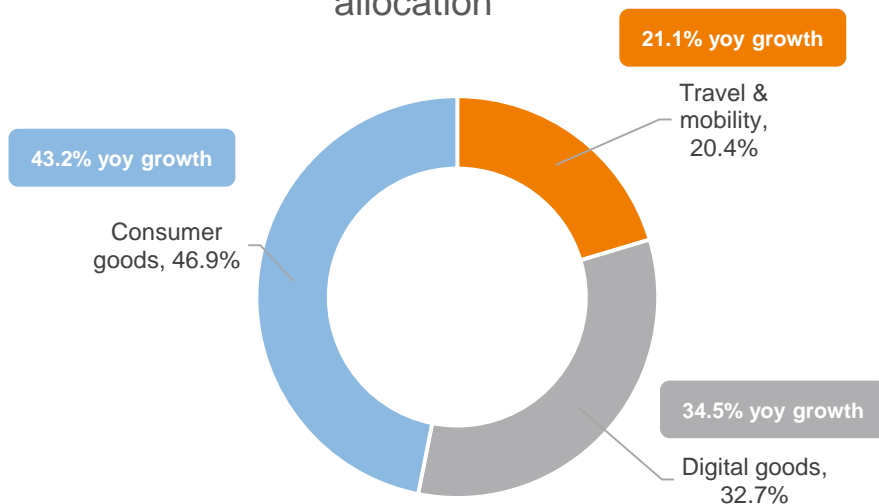
### Consumer goods

- Includes B2C and B2B physical products
- Consumer goods up 3.9 EUR bn, with 43.2% yoy growth

### Digital goods

- Includes digital goods such as internet portals, download and streaming services, telecommunications, SaaS and app providers
- Digital goods up 2.3 EUR bn, with 34.5% yoy growth

Transaction volume 6M 2016<sup>1</sup> industry allocation



<sup>1</sup> Transaction volume: mainly acceptance and issuing means of payment along with associated value added services



The background of the slide is a solid orange color with a complex, abstract wireframe pattern. The pattern consists of numerous thin, light-colored lines that form a dense, interconnected mesh. The lines are arranged in a way that creates a sense of depth and movement, with some areas appearing more solid and others more transparent. The overall effect is a textured, three-dimensional look that resembles a stylized wireframe model of a human head or a similar organic form.

# 3. Mergers and acquisitions



# Overview of recent M&A activity

### MoIP Pagamentos, Brazil

- Online payment provider focused on market places and SMEs
- Market entry into Brazil / Latin America
- Employees: >150
- Cash payment of 23.5 EUR mn, further earnouts up to 13.5 EUR mn
- Expected EBITDA 2016: 2.2 EUR mn
- Estimated integration costs: 0.5 EUR mn
- Signing and closing on February 22, 2016

### Provus Group, Romania

- Romania's leading payment processing and technological service provider
- Strengthening expansion into Eastern Europe
- Employees: > 100
- Cash payment of 32.0 EUR mn
- Expected EBITDA 2016: 4.0 EUR mn
- Estimated integration costs: 0.5 EUR mn
- Signing and closing on February 29, 2016

### Citi Prepaid Card Services, USA

- Leading position in institutional funded prepaid cards
- Global expansion with market entry in the U.S.
- Employees: 120
- Expected EBITDA 2017: > 20 USD mn
- Estimated integration costs: 5 USD mn
- Signing on June 29, 2016
- Closing expected as early as Q4 2016

# Highlights Citi Prepaid Card Services



Global expansion with market entry U.S.



Growth opportunities due to cross-selling effects



Leading position in institutional funded prepaid card issuing with more than 2,500 client programs launched



Segment leading corporate clients



Highly experienced management team with extensive industry network



120 employees



Closing expected as early as Q4 2016



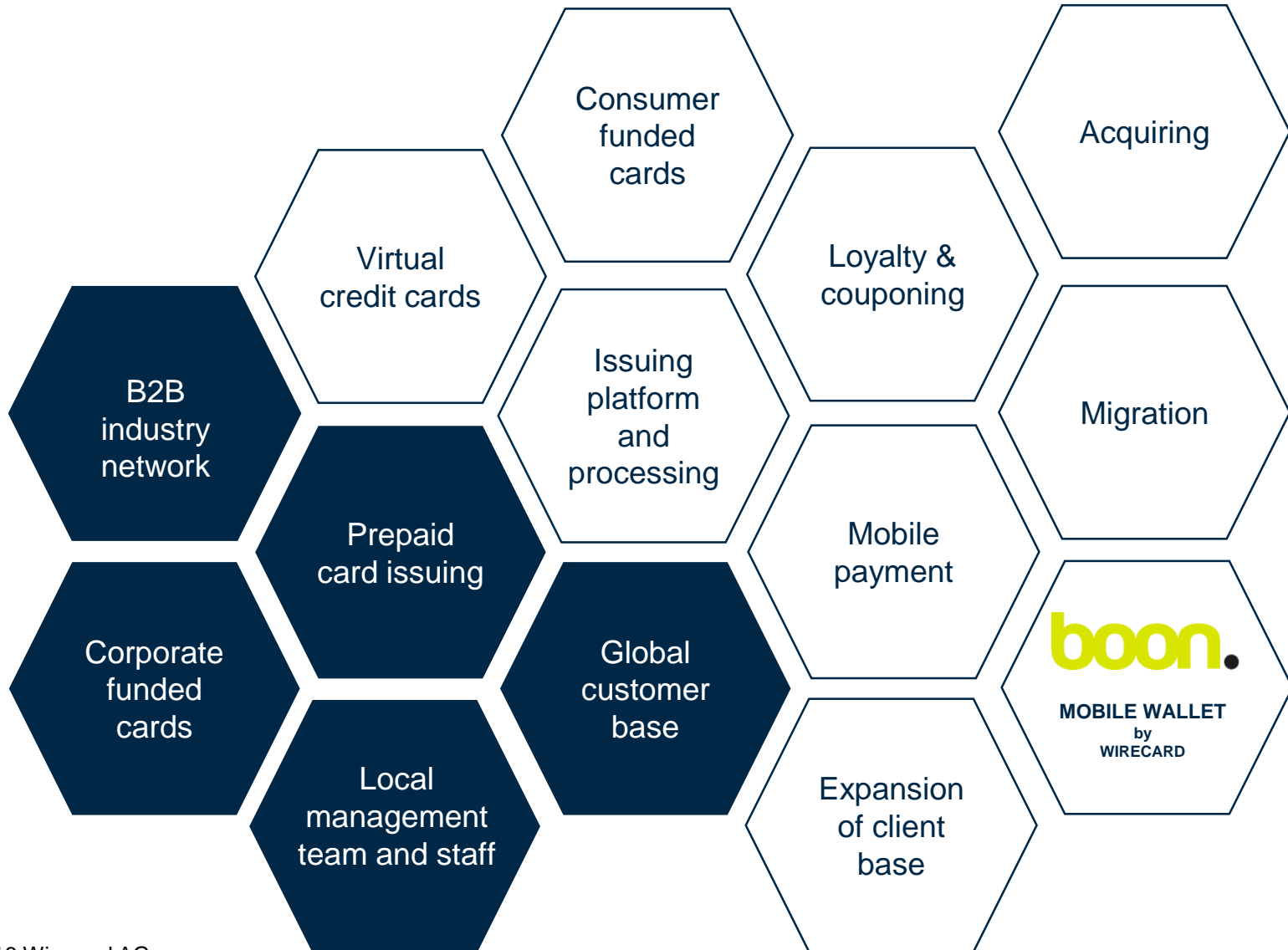
Estimated EBITDA margin 2017 approx. 20%  
Estimated EBITDA contribution 2017 > USD 20 mn (before integration costs)  
Estimated one-off integration costs in 2017 of USD 5 mn

## Track record of recent M&A activity

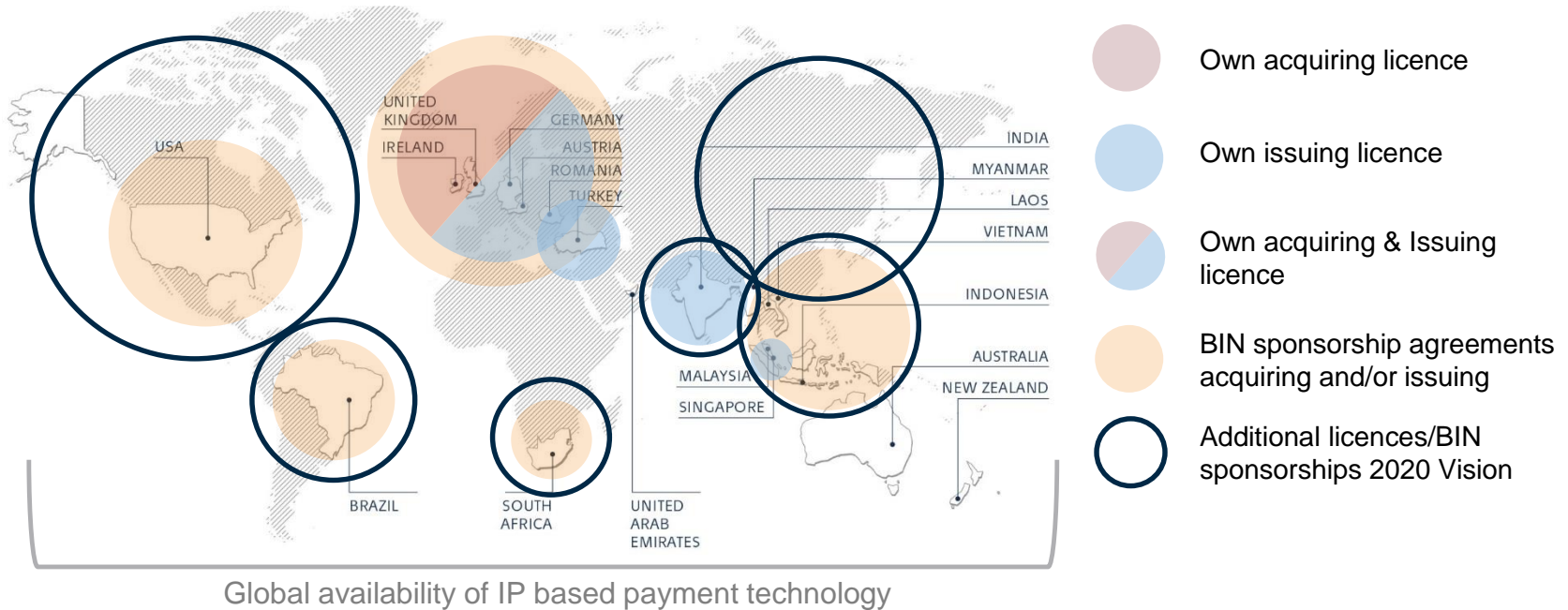
Payment business of GI Retail Group, India	<b>Revenue</b> <b>34.7 EUR mn</b> in 6M 2016 (consolidation as of December 30, 2015)	<b>EBITDA</b> <b>7.2 EUR mn</b> in 6M 2016 (consolidation as of December 30, 2015)
MoIP Pagamentos, Brazil	<b>Revenue</b> <b>5.6 EUR mn</b> in 6M 2016 (since consolidation as of February 22, 2016)	<b>EBITDA</b> <b>0.6 EUR mn</b> in 6M 2016 (since consolidation as of February 22, 2016)
Provus Group, Romania	<b>Revenue</b> <b>3.3 EUR mn</b> in 6M 2016 (since consolidation as of February 29, 2016)	<b>EBITDA</b> <b>1.2 EUR mn</b> in 6M 2016 (since consolidation as of February 29, 2016)



# Entering the U.S. – What's next?



## Vision 2020 – global payment provider



### Status quo

- Leading position in Europe
- Dominant position in Southeast Asia
- Market entry in North America
- Global provision of payment technology
- Global airline & travel licences
- Adding relevant global markets
- Addressing needs of local and global merchants

### Vision 2020

Addressing all relevant global markets with:

- Global payment technology
- Global licensing framework
- Global risk management
- Global provision value added services and big data
- Hubs in all relevant geographies



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# 4. Outlook

## Market environment

### Strong market prospects

- Expected global e-commerce growth in 2016 of 16% to 17%\*
- Ongoing expected growth of the European e-commerce market of 12% for 2016\*\*
- Strong growth prospects for the Asian market of 25% in 2016\*\*\*

### Promising outlook in target industries

- Consumer goods Europe projected to grow at 11% in 2016\*\*\*
- Digital goods Europe projected to grow at 21% and 18% in Asia in 2016\*\*\*
- 3% expected growth for travel and mobility in Europe in 2016\*\*\*\*

### E-commerce trends

- Ongoing convergence of all sales channels and the need for omni-channel solutions
- Global e-commerce players entering the POS market
- Digital single market, project of the European Union

### Fintech

- Strong demand for Wirecard services and know how by Fintech companies
- Consumer targeted front end solutions require Wirecard partnership for licensing and back end solutions

### Mobile payment

- Launch of sophisticated mobile payment products strengthen global awareness
- Enrichment of mobile payment products with further services such as microcredits or insurance services

\* Euromonitor and Statista, \*\*Forrester and Statista, \*\*\* Statista, \*\*\*\*Phocuswright



## Company guidance



- EBITDA guidance for FY2016 of 290 to 310 EUR mn

### Guidance is based on

- Growth of the European e-commerce market and additional global growth drivers
- Increase of processed transaction volume with existing and new clients
- Economies of scale
- Contribution from recent acquisitions

### Detailed break down of guidance mid-point of 300 EUR mn

- Organic growth of 23%, with an expected EBITDA contribution from mobile payment of 5.0 EUR mn
- 16.0 EUR mn EBITDA contribution from the payment business of GI Retail
- 4.0 EUR mn combined EBITDA contribution from Provus Group and MoIP
- Guidance does not include any effects from the sale of Visa Europe



The background of the slide is a complex, abstract wireframe structure. It consists of numerous thin, grey lines that form a dense, three-dimensional grid. The lines are arranged in a way that creates a sense of depth and perspective, with some lines appearing to curve and bend. The overall effect is that of a digital or architectural framework, possibly representing data or a complex system. The text '5. Financial data' is overlaid on this background in a clean, white, sans-serif font.

# 5. Financial data

## Financial highlights 6M 2016

in EUR k	6M 2016	6M 2015	Change
Revenue	451,790	340,086	33%
EBITDA	132,351	98,299	35%
EBIT adjusted*	113,966	84,570	35%
EBIT	99,628	72,550	37%
Tax	16,421	8,027	105%
Earnings after taxes	166,814	60,949	174%
Earnings after taxes adjusted**	76,951	60,949	26%
EPS (undiluted) in EUR	1.35	0.49	176%
EPS adjusted** (undiluted) in EUR	0.62	0.49	27%
Operating cash flow***	113,386	85,594	32%
Shareholders' equity	1,340,675	1,122,882	19%
Total equity and liabilities	3,201,807	2,125,384	51%
Employees**** as of 30 Jun 2016 / 30 Jun 2015	3,706	2,007	85%
thereof full-time employees	3,399	1,782	91%
thereof part-time employees	307	225	36%

\*Adjusted by amortisation (M&A related)

\*\*Adjusted for Visa Europe

\*\*\* Consolidated cash flow from operating activities (adjusted)

\*\*\*\* Thereof 1.204 employees of the payment business of GI Retail Group, India; MoIP Pagamentos, Brazil; Provus Group, Romania

## Consolidated income statement

in EUR k	6M 2016	% of revenues	6M 2015	% of revenues
Revenues	451,790		340,086	
Own work capitalised	11,576		13,297	
Cost of materials	-231,603	51.3%	-186,867	54.9%
Personnel expenses	-59,396	13.1%	-43,253	12.7%
Other operating expenses	-43,683	9.7%	-29,724	8.7%
Other operating income	3,650	0.8%	4,762	1.4%
Income from investments using equity method	18	0.0%	n/a	n/a
<b>EBITDA</b>	<b>132,351</b>	<b>29.3%</b>	<b>98,299</b>	<b>28.9%</b>
Amortisation and depreciation (M&A adjusted)*	-18,385	4.1%	-13,730	4.0%
<b>EBIT adjusted*</b>	<b>113,966</b>	<b>25.2%</b>	<b>84,570</b>	<b>24.9%</b>
Amortisation (M&A related)*	-14,338	3.2%	-12,020	3.5%
EBIT	99,628	22.1%	72,550	21.3%
Financial results	83,607		-3,574	
Income tax	-16,421	** 9.0%	-8,027	** 11.6%
<b>Profit after Taxes</b>	<b>166,814</b>	<b>36.9%</b>	<b>60,949</b>	<b>17.9%</b>

\* Adjusted by amortisation (M&A related)

\*\* Taxes on income and profit with regards to Earnings before Taxes (EBT)

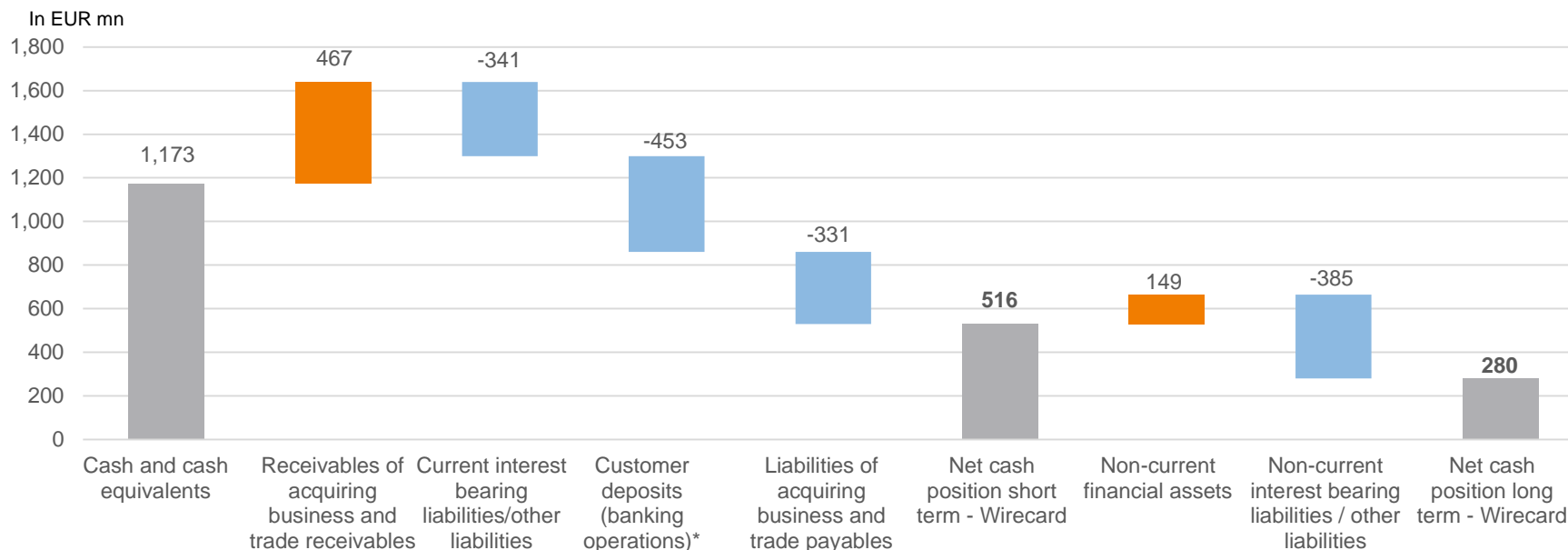


## Balance sheet

Assets in EUR k	30.06.2016	31.12.2015	Equity and liabilities in EUR k	30.06.2016	31.12.2015
<b>Non-current assets</b>	<b>1,332,399</b>	<b>1,280,261</b>	<b>Shareholders' equity</b>	<b>1,340,675</b>	<b>1,280,513</b>
Goodwill	519,666	489,301	<b>Liabilities</b>	<b>1,861,132</b>	<b>1,654,988</b>
Customer relationships	400,419	385,451	Current provisions	2,725	1,421
Internally gen. intangible assets	87,815	80,639	Tax provisions	21,977	14,087
Other intangible assets	76,676	65,869	Liabilities of acquiring business	310,071	333,924
Deferred tax assets	1,977	862	Trade payables	20,636	25,988
Other property, plant & equipm.	34,768	30,987	Interest-bearing bank loans	587,402	370,725
Fin. assets/ int. bearing securities	211,078	227,152	Deferred income taxes	59,023	53,266
<b>Current assets</b>	<b>1,869,408</b>	<b>1,655,240</b>	Other non-current liabilities	31,519	71,912
Receivables of acquiring business	326,956	334,055	Other current liabilities	107,108	201,201
Trade receivables	140,469	113,204	Customer deposits	720,670	582,464
Cash and cash equivalents	1,172,609	1,062,968			
Interest-bearing securities	206,278	133,128			
Other	23,097	11,885			
<b>Total assets</b>	<b>3,201,807</b>	<b>2,935,501</b>	<b>Total equity and liabilities</b>	<b>3,201,807</b>	<b>2,935,501</b>

## Net cash (short and long term)

Net cash bridge 6M 2016



* Customer deposits break down in EUR k	30.06.2016
Customer deposits - balance sheet amount	720,670
thereof in long-term interest bearing securities	-61,727
thereof in interest bearing securities and fixed-term deposits	-206,278
<b>Customer deposits relevant for net cash calculation</b>	<b>452,665</b>



## Income tax analysis

in EUR k	6M 2016	in % of ebt	6M 2015	in % of ebt
<b>Earnings before tax (EBT)</b>	<b>183,235</b>		<b>68,976</b>	
<b>Tax on income and profit</b>	<b>-16,421</b>	<b>9.0%</b>	<b>-8,027</b>	<b>11.6%</b>
thereof impact from deferred tax	149	-0.1%	1,890	-2.7%
thereof tax to be paid	-16,570	9.0%	-9,917	14.4%
<hr/>				
<b>Paid tax on income</b>	<b>-2,881</b>		<b>-10,748</b>	
thereof income tax	-8,584		-10,748	
thereof capital gain tax on dividends	5,703		0	
<hr/>				
in EUR k	6M 2016	in % of ebt	6M 2015	in % of ebt
<b>Earnings before tax (EBT) adjusted*</b>	<b>91,573</b>		<b>68,976</b>	
<b>Tax on income and profit adjusted*</b>	<b>-14,622</b>	<b>16.0%</b>	<b>-8,027</b>	<b>11.6%</b>
thereof impact from deferred tax adjusted*	328	-0.4%	1,890	-2.7%
thereof tax to be paid adjusted*	-14,950	16.3%	-9,917	14.4%

\*Adjusted for Visa Europe

# Cash flow and conversion

Free cash flow in EUR k	6M 2016
Cash flow from operating activities (adjusted)	113,386
Operative CAPEX	28,507
<b>Free cash flow</b>	<b>84,879</b>

Cash conversion in EUR k	6M 2016
Free cash flow	84,879
Earnings after tax*	76,951
<b>Cash conversion in %</b>	<b>110.3</b>

\* Adjusted for Visa Europe

# Accounting treatment of Visa Europe sale

## Background and deal structure

- On November 2, 2015 Visa Inc announced the acquisition of Visa Europe Limited
- Proceeds from Visa Europe sale are based on the membership of Wirecard Bank AG and Wirecard Card Solutions Ltd
- Closing on June 21, 2016
- → 71.8 EUR mn cash component
- → 25.6 EUR mn preferred stock convertible into class A common stock of Visa Inc
- → 6.2 EUR mn deferred cash to be paid in three years

## BS and P&L effects

- Release of the revaluation reserve recorded as of December 31, 2015 (except for the effects of the preferred stock)
- Increase in cash & cash equivalents in the amount of 71.8 EUR mn
- Preferred stock classified as „available for sale financial assets“, valued with a discount and based on market value of Visa Inc A-shares. 14.1 EUR mn recorded in financial and other assets. Subsequent changes in the valuation will be booked against equity
- 5.7 EUR mn deferred cash recorded in financial and other assets based on its discounted value
- 91.7 EUR mn profit shown in „other financial income“
- Profit of the sale is taxable at 5% for Wirecard Bank in Germany

## Contact

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