

QUARTERLY STATEMENT AS AT SEPTEMBER 30, 2017



- Transaction volume increased by 43.5 percent
- Group revenue increased by 42.0 percent
- 34.0 percent increase in EBITDA
- Net result increased by 33.4 percent
- EBITDA 2017 guidance confirmed

WIRECARD GROUP	9M 2017	9M 2016
Revenue	1,021,401	719,352 kEUR
EBITDA	286,552	213,889 kEUR
EBIT	218,315	161,952 kEUR
Earnings per share (adjusted*)	1.36	1.02 EUR
Shareholders' equity	1,546,955	1,400,428 kEUR
Total assets	4,212,196	3,261,267 kEUR
Cash flow on ordinary transactions (adjusted)	233,951	179,159 kEUR
Employees (average)	4,368	3,687
of which part time	313	292

* 9M 2016 adjusted by effects of net result due to the sale of Visa Europe Ltd. shares

CEO Markus Braun: "We are strongly benefitting from the accelerating trend for digitalisation in all sectors and sales channels."

Quarterly Statement for the first nine months of 2017

1. Preliminary remark about this Quarterly Statement

Following the German Act Implementing the European Directive amending the Transparency Directive and the amendments to the German Securities Trading Act (WpHG) on 25 November 2015, the transparency requirements for publicly traded companies have been amended. In this context, the Frankfurt Stock Exchange has amended its requirements for quarterly reporting with a change to its Exchange Rules (BörsO). In accordance with Article 50 of the BörsO, companies are permitted to publish a quarterly statement that has a shorter format.

The Wirecard Group is making use of this option from first quarter 2017 onwards and is publishing a quarterly statement. Please refer to the 2016 Annual Report for detailed information on the Group, accounting policies and notes to the financial statements.

Wirecard AG generally publishes its figures in thousands of euros (kEUR). As a result of rounding, it is possible that the individual figures do not add up exactly to form the totals stated and that the figures and percentages do not give an exact representation of the absolute values to which they relate.

2. Information about Wirecard

Wirecard AG is a global technology group that supports companies in accepting payments from all sales channels. As a leading independent supplier, the Wirecard Group offers outsourcing and white label solutions for electronic payments. International payment acceptances and methods with supplementary fraud prevention solutions can be provided via a global platform. The Wirecard Group offers companies the complete end-to-end infrastructure for issuing own payment instruments in the form of cards or mobile payment solutions. Wirecard's unique selling point is the combination of innovative payment technology and licensed financial services. The company has its own financial services licenses within the Group (including a full German banking licence and a British e-money licence) and also uses third party licences for the issuing and acceptance of credit cards and card-based payments. In addition, Wirecard has acceptance agreements for numerous alternative payment processes. Wirecard AG is listed on the Frankfurt Stock Exchange (TecDAX, ISIN DE0007472060, WDI). Further information is available on the internet at www.wirecard.de or follow us on Twitter @wirecard.

3. Business performance in the period under review

On the basis of external forecasts and taking into account the geographical and sector-specific alignment of Wirecard AG, the management anticipates market growth of 16 to 17 percent in 2017 in the core European market and global market relevant to Wirecard. In the first nine months of 2017, the market, relevant for Wirecard, grew in line with this forecast.

Wirecard AG achieved its operating targets and increased the number of large and medium-sized customers to around 34 thousand. The number of small customers is around 180 thousand. In the company's core business, it was possible to expand cooperation with numerous existing customers. New customers were acquired from all industries and sectors. Alongside existing partnerships, the company thus concluded additional agreements with, for example, Rakuten, Festo, TransferTo, RwandAir, bluesource, PrestaShop, T-Systems, Rossmann, Sortimo, National Bank of Greece, CSL Plasma, Vistara, Zabolis Partners, Zwilling, Tencent, Poynt, Weizmann Forex, Amway Brunei, mobilcom-debitel, Billie, Singtel, taxi.eu, Enjoei, Fellow Finance, Storymaker, Webasto, Swarovski, evopark, Staxter, Twisto, IKEA Southeast Asia, Trusted Shops, kajomi MAIL, Value Retail, ALDI Nord, ALDI Süd and Kaufland either during or after the reporting period.

Wirecard has pushed forward its global expansion during the course of the reporting period. The acquisition of the business of Citi Prepaid Card Services announced by Wirecard AG on 29 June 2016 was successfully concluded on 9 March 2017 as part of a combined share and asset deal. Wirecard acquired with the company Ecount Inc., which was renamed as Wirecard North America Inc. following the acquisition, more than 100 new employees in Conshohocken, Pennsylvania, and 20 other employees in various international locations. At the same time, Wirecard AG has expanded its global presence in its core business of payment processing into the North American market. Wirecard anticipates a contribution of more than USD 20 million (EUR 19 million) (before integration costs) to the consolidated operating earnings before interest, tax, depreciation and amortisation (EBITDA) in the 2017 fiscal year.

On 13 March 2017, Wirecard AG agreed the acquisition of the customer portfolio of Citi's credit card acceptance business in eleven Asian-Pacific markets with the Citigroup subsidiaries Citibank N.A. and Citibank Overseas Investment Corporation. The transaction comprises a customer portfolio of more than 20,000 retailers, particularly from the travel and mobility sector, the financial services sector, luxury goods, retail trade and technology and telecommunications in the following countries: Singapore, Hong Kong, Macau, Malaysia, Taiwan, Indonesia, the Philippines, Thailand, India, Australia and New Zealand. The closing of the transaction is due to be completed in multiple stages up to June 2018. In the first year of full consolidation in the Wirecard Group (2019 fiscal year), consolidated operating earnings before interest, tax, depreciation and amortisation (EBITDA) of more than USD 20 million are expected due to the acquisition.

Wirecard AG acquired all shares in MyGate Communications (Pty), a leading payment service provider (PSP) in Africa based in Cape Town, South Africa, on 6 March 2017 and the company was consolidated at this point in time. The company had 21 employees at the date of initial consolidation. The agreed purchase price of EUR 13.1 million consists of a cash payment of EUR 9.9 million and further earnout payments of up to EUR 4.9 million, of which EUR 3.9 million have been recognised. MyGate should generate an EBITDA of EUR 2.0 million in the 2017 calendar year.

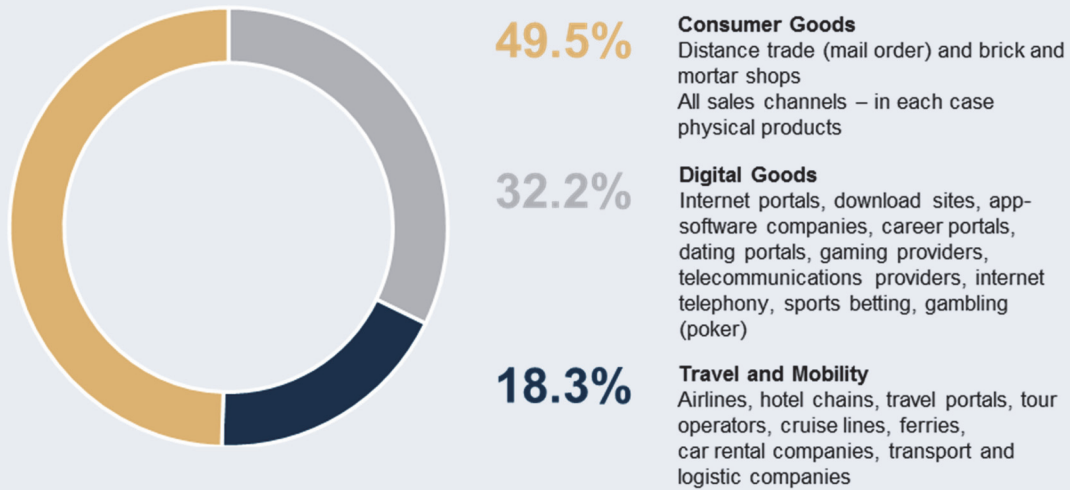
Wirecard AG experienced very successful operating growth in the reporting period. Fee income from the core business of Wirecard AG, namely the acceptance and issuing of means of payment along with associated value added services, is generally proportionate to the transaction volumes processed. The transaction volume in the first nine months of 2017 was EUR 62.5 billion (9M 2016: EUR 43.6 billion), which corresponds to growth of 43.5 percent. The transaction volume generated within Europe grew by 23.9 percent to EUR 37.3 billion (9M 2016: EUR 30.1 billion), while the volume generated outside Europe grew also under consideration of the acquisitions by 87.5 percent to EUR 25.3 billion (9M 2016: EUR 13.5 billion).

Transaction Volume 9M 2017/9M 2016

in bn. EUR	9M 2017	9M 2016	Change in percent
Europe	37.3	30.1	23.9%
Outside Europe	25.3	13.5	87.5%
Total	62.5	43.6	43.5%

Developments in the individual target sectors were thoroughly positive with numerous new customer acquisitions. The area of consumer goods recorded an increase of the transaction volume by 52.0 percent to EUR 31.0 billion (9M 2016: EUR 20.4 billion), digital goods increased by 38.6 percent to EUR 20.1 billion (9M 2016: EUR 14.5 billion) as well as travel and mobility increased by 32.0 percent to EUR 11.4 billion (9M 2016: EUR 8.7 billion).

The respective shares of the overall transaction volume is as follows:



Outlook

The Management Board expects the positive business performance to continue in the remainder of 2017 and is not aware of any significant changes to the forecasts for the macroeconomic and sector-specific framework conditions described in detail in the Annual Report 2016. The Management Board confirms its increase of EBITDA forecast for the 2017 fiscal year, published on 26 October 2017, between EUR 398 million and EUR 415 million.

4. Results of operations, financial position and net assets

Results of operations

In the nine-month period 2017, Wirecard-Group achieved further significant growth in both revenues and operating profit.

Revenue trends

In the nine-month period 2017, consolidated revenues grew by 42.0 percent from kEUR 719,352 to kEUR 1,021,401.

Revenues generated in the nine-month period 2017 in the core segment of Payment Processing & Risk Management, arising from risk management services and the processing of online payment transactions, increased by 31.9 percent from kEUR 546,388 to kEUR 720,446.

The share of the total consolidated revenues accounted for by the Acquiring & Issuing segment grew due to the organic growth and the acquisition of Citi Prepaid Services business by 61.6 percent in the nine-month period 2017 to reach kEUR 349,625 (9M 2016: kEUR 216,378), of which the share accounted for by Issuing amounted to kEUR 142,526 in the nine-month period 2017 (9M 2016: kEUR 48,508).

The interest income generated by the Acquiring & Issuing segment in the nine-month period 2017 totalled kEUR 8,865 (9M 2016: kEUR 6,434) and is recognised as revenues.

Trends in key expense items

Group gross profit (revenues including own work capitalised less cost of materials) increased by 38.7 percent to kEUR 507,324 in the nine-month period 2017 (9M 2016: kEUR 365,774).

Group personnel expenses rose to kEUR 133,298 in the nine-month period 2017, up by 42.1 percent year on year (9M 2016: kEUR 93,794). Other operating expenses amounted to kEUR 96,381 within the Wirecard-Group in the nine-month period 2017 (9M 2016: kEUR 62,975), which corresponds to 9.4 percent of revenue (9M 2016: 8.8 percent). This development is primarily caused by strongly increased consulting fees in context of the related acquisitions.

Other operating expenses

in kEUR	9M 2017	9M 2016
Legal and financial statement costs	8,411	6,125
Consulting expenses and consulting-related expenses	19,356	12,731
Office expenses	11,163	7,903
Equipment and leasing	13,225	8,566
Travel, sales and marketing	14,536	10,929
Personnel-related expenses	11,117	3,550
Insurance payments, contributions and levies	2,471	1,633
Other	16,101	11,537
Total	96,381	62,975

Other operating income of kEUR 9,069 (9M 2016: kEUR 4,910) resulted from various items, including income from the reversal of value adjustments, release of provisions, income from the revaluation of receivables and liabilities.

EBITDA trends

The pleasing growth in earnings is due to the increase in transaction volumes processed by the Wirecard-Group, scaling effects from the transaction-oriented business model, the recent M&A transaction and from the increased use of our banking services.

Operating earnings before interest, tax, depreciation and amortisation (EBITDA) grew in the nine-month period 2017 by 34.0 percent from kEUR 213,889 in the previous year to kEUR 286,552. The EBITDA margin improved to 28.1 percent in the nine-month period 2017 (9M 2016: 29.7 percent).

The EBITDA of the Payment Processing & Risk Management segment stood at kEUR 223,422 in the nine-month period 2017 and grew by 30.7 percent (9M 2016: kEUR 170,947). The share of the EBITDA accounted for by the Acquiring & Issuing segment in the nine-month period 2017 stood at kEUR 62,242 (9M 2016: kEUR 42,369), of which the share of the EBITDA accounted for by Issuing in the nine-month period 2017 amounted to kEUR 29,638 (9M 2016: kEUR 12,206).

Financial result

The financial result amounted to kEUR –14,930 in the nine-month period 2017 (9M 2016: kEUR 78,052). Group financial expenses stood at kEUR 19,460 in the nine-month period 2017 (9M 2016: kEUR 14,784). The financial income from previous year resulted primarily from the sale of Visa Europe Ltd. to Visa Inc. The transaction was closed on 21 June 2016. As a result of this transaction, Wirecard Bank AG and Wirecard Card Solutions Ltd., as members of Visa Europe Limited, received a consideration of kEUR 91,600. For further information, please refer to the notes under 3.4. Financial and other assets / interest-bearing securities in the annual report 2016.

Taxes

Owing to the international orientation of the business, the cash tax rate (excluding deferred taxes) amounted to 17.2 percent in the nine-month period 2017 (9M 2016: 10.5 percent). Including deferred taxes, the tax rate came to 17.2 percent (9M 2016: 9.9 percent). For the comparable period it should be noted that in Germany, only 5 percent of the income from the sale of Visa Europe Ltd. shares is subject to taxation. Therefore, the tax rate is not comparable with the actual period. Excluding the income from the sale of Visa Europe Ltd. shares, the cash-relevant tax rate (excluding deferred taxes) for the period under review 2016 was 16.0 percent. Including deferred taxes, the tax rate was 14.9 percent.

Earnings after tax

Earnings after tax in the nine-month period 2017 decreased by –22.1 percent year on year, from kEUR 216,177 to kEUR 168,496. Without the sale of Visa Europe Ltd. shares in the previous year the earnings after tax would be at kEUR 126,278 and the increase in the profit after tax in relation to the previous year would be 33.4 percent.

Earnings per share

The average number of issued shares on an undiluted basis amounted to 123,565,586 shares in the nine-month period 2017 (9M 2016: 123,565,586 shares). Basic (undiluted) earnings per share stood at EUR 1.36 in the nine-month period 2017 (9M 2016: EUR 1.75). Also, this is due to the effect from the sale of Visa Europe Ltd. shares. Excluding this effect, earnings per share in the nine month period 2016 would be EUR 1.02.

5. Notes to the consolidated balance sheet – assets

5.1 Intangible assets

Goodwill and customer relationships

In the nine-month period 2017, goodwill changed primarily as a result of the first-time consolidation of Citi Prepaid Services business, MyGate Communications (Pty) and as a result of the acquisition of Citi's business for merchant acquiring services in Asia (kEUR 185,680) and furthermore as a result of currency-related valuations as of balance sheet date of kEUR -47,683. As at 30 September 2017 goodwill stood at kEUR 672,889 (31 December 2016: kEUR 534,892) and is reported in the following cash-generating units:

Goodwill

in kEUR	30 Sept 2017	31 Dec 2016
Payment Processing & Risk Management	519,843	462,526
Acquiring & Issuing	152,758	72,078
Call Center & Communication Services	288	288
Total	672,889	534,892
Less: impairment losses	0	0
	672,889	534,892

The change in customer relationships of kEUR 93,170 in the period under review is related to an addition of kEUR 141,062 primarily due to the M&A transactions mentioned before which was offset in particular by currency-related valuations as of balance sheet date and amortisation.

Further information to the business combinations and the acquisition of customer relationships can be found in the annual report 2016 in Section 1.1 Business activities and legal background – business combinations and significant acquisitions of customer relationships.

5.2 Property, plant and equipment

The carrying amount of technical equipment and operating and office equipment held as part of finance leases as of 30 September 2017 was kEUR 19,127 (31 December 2016: kEUR 10,156) and is reported under property, plant and equipment. The leased items serve as security for the respective obligations from the finance leasing agreements.

5.3 Financial and other assets / interest bearing securities

Financial and other assets and interest bearing securities as of 30 September 2017 totalled kEUR 257,975 (31 December 2016: kEUR 216,196). These break down is as follows:

Breakdown of financial and other assets / interest-bearing securities

in kEUR	30 Sept 2017	31 Dec 2016
Visa preferred stock	18,286	15,256
Financing agreements (amongst others sales partner)	27,654	28,534
Convertible bonds	33,035	32,735
Securities	1,903	2,805
Securities/collared floaters from banking busines	42,637	42,558
Receivables from bank business (mostly from FinTech business)	126,602	85,035
Other	7,859	9,274
	257,975	216,196

5.4 Trade receivables of the acquiring business

Depending on the balance sheet date and payment cycle, the item receivables of the acquiring business and also the item liabilities of the acquiring business (less commissions and charges) are subject to considerable fluctuations from one balance sheet date to another. These fluctuations occur in particular due to delayed payouts on account of the public holidays between the reporting periods.

5.5 Trade and other receivables

Trade receivables are split as follows:

Trade receivables

in kEUR	30 Sept 2017	31 Dec 2016
Receivables from bank business (mostly from FinTech business)	105,016	89,892
Receivables from prepaid card business	13,516	0
Other trade receivables	105,694	72,239
Other receivables	44,411	28,053
	268,636	190,185

Primarily due to the first-time consolidation of the new Wirecard company North America Inc. in connection with the acquisition of Citi Prepaid Services, receivables increased. These receivables are related to the prepaid card business and will be presented on a separate line.

5.6 Cash and cash equivalents

The cash and cash equivalents item (30 September 2017: kEUR 1,698,536; 31 December 2016: kEUR 1,332,631) includes cash in hand and bank balances (demand deposits, fixed-term deposits with a term of up to three months and overnight (call money) deposits). These also include resources from current customer deposits of Wirecard Bank AG and Wirecard Card Solutions Ltd., which are not placed in interest-bearing securities (30 September 2017: kEUR 769,998; 31 December 2016: kEUR 476,386) and funds derived from the acquiring business of Wirecard Bank AG (30 September 2017: kEUR 216,102; 31 December 2016: kEUR 233,956).

6. Notes to the consolidated balance sheet – equity and liabilities

6.1 Subscribed capital

As of 30 September 2017, the subscribed capital was kEUR 123,566 (31 December 2016: kEUR 123,566) and comprised 123,565,586 (31 December 2016: 123,565,586) no-par value shares with a notional interest in the common stock of EUR 1.00 per share.

6.2 Retained earnings

As approved at the Annual General Meeting 2017 on 20 June 2017 a dividend of EUR 0.16 per dividend-entitled ordinary share was paid, which corresponds to a total amount of kEUR 19,770. In the previous year, the dividend payment was EUR 0.14 per dividend-entitled ordinary share, which corresponded to a total amount of kEUR 17,299.

6.3 Other components of equity

Translation reserve

The foreign currency translation reserve changed in the nine-month period 2017 due to exchange rate factors and with no impact on profit or loss from kEUR 21,371 in the previous year to kEUR – 53,543. This change is mainly attributable to net assets denominated in foreign currencies due to further company acquisitions in the fiscal year. Especially there were some measurement differences resulting in neither profit nor loss in the goodwill and customer relationships capitalised, in particular, in US-Dollar and some Asian currencies which was primarily due to the strong Euro in the third quarter. With regard to the foreign currency translation reserve, please refer to details in 2.1 Principles and assumptions used in preparing the financial statements in the annual report 2016.

6.4 Liabilities

Non-current liabilities are split into non-current interest-bearing liabilities, other non-current liabilities and deferred tax liabilities.

Non-current interest-bearing liabilities

Interest-bearing liabilities are related to the financing of acquisitions. This item thus increased by kEUR 105,761 from kEUR 579,475 as of 31 December 2016 to kEUR 685,236. The largest proportion of this increase was due to acquisitions in North America and Asia.

Other non-current liabilities

This item is broken down as follows:

Other non-current liabilities

in kEUR	30 Sept 2017	31 Dec 2016
Earnout liabilities	18,596	16,796
Lease liabilities	13,868	10,983
Variable remuneration and pension benefits	1,818	1,341
Other non-current liabilities	3,603	2,306
	37,885	31,425

The earnout components and purchase price liabilities of kEUR 69,045 (31 December 2016: kEUR 60,405) that are due within the period of one year are carried under current liabilities.

6.5 Current liabilities**Liabilities of the acquiring business**

Depending on the balance sheet date and payment cycle, the item liabilities of the acquiring business and also the item receivables of acquiring business (less commissions and charges) can be subject to considerable fluctuations from one balance sheet date to another. In particular, these substantial fluctuations between reporting periods result from public holidays. Delayed payments due to public holidays at the end of fiscal year 2016 were offset by corresponding payments in the following quarter, which resulted in a reduction to this item as expected.

Interest-bearing liabilities

Interest-bearing liabilities of kEUR 313,031 (31 December 2016: kEUR 15,066) mainly comprise loans that are due within one year.

Other liabilities

This item is broken down as follows:

Other liabilities

in kEUR	30 Sept 2017	31 Dec 2016
Accruals	45,507	28,558
Lease liabilities	11,172	8,524
Purchase price liabilities	69,045	60,405
Other	23,006	22,019
	148,730	119,505

The purchase price liabilities increased primarily as a result of the acquisition of Citi's business for merchant acquiring services in Asia and slightly due to the acquisition of Citi Prepaid Services.

7. Notes to the consolidated cash flow statement

7.1 Cash flow from operating activities

The cash flow from operating activities before the changes from banking operations in the nine-month period 2017 changed from kEUR 142,648 in the previous year to kEUR 189,553, mainly due to the special system used in acquiring, which is impacted by cut-off date effects of a transitory nature inherent in the business model. It should be especially noted in this context that because of a very sharp increase in the cash flow from operating activities in the fourth quarter, which is mainly due to delayed payouts on account of the public holidays, an opposite cash flow trend was in the nine-month period 2017.

In the nine-month period 2017 the cash flow from operating business of banking operations came to kEUR 176,149. In the previous year the cash flow from operating business of banking operations of kEUR 1,847 was achieved. Therefore the unadjusted cash flow from operating activities in the nine-month period 2017 grew from kEUR 144,495 in the previous year to kEUR 365,703. The main effect of this development results from an increase of customer deposits caused by rising Issuing services.

The cash flow from operating activities (adjusted) stood at kEUR 233,951 (9M 2016: kEUR 179,159).

7.2 Cash flow from investing activities

Substantial cash outflows for investments

in kEUR	9M 2017	9M 2016
Strategic transactions/M&A	240,455	69,216
Securities and medium-term financing agreements	0	2,372
Internally-generated intangible assets	29,293	19,541
Other intangible assets (software)	12,807	12,658
Property, plant and equipment	10,685	12,115

7.3 Cash flow from financing activities

Cash flow from financing activities in the nine-month period 2017 mainly concerns cash inflow from drawing on financial liabilities, especially in connection with the acquisition of Citi Prepaid Services, Citi's business for merchant acquiring services in Asia and MyGate Communications (Pty) of kEUR 425,378 (9M 2016: kEUR 237,758). Furthermore, it concerns the cash outflow for the redemption of financial liabilities of kEUR –25,511 (9M 2016: kEUR –13,284). In addition, financing was carried out as part of finance leases, which resulted in a cash flow of kEUR –9,055 (9M 2016: kEUR –4,324). Cash flow from financing activities also reports outgoing cash flows for the acquisition of companies in previous years in an amount of kEUR –65,201 (9M 2016: kEUR –157,600).

7.4 Cash and cash equivalents at end of period

Net Cash Position - Wirecard

in kEUR	30 Sept 2017		31 Dec 2016	
Cash and cash equivalents		1,698,536		1,332,631
Interest-bearing securities and fixed-term deposits		1,903		2,805
Receivables of the acquiring business and trade and other receivables		707,066		592,608
Interest-bearing liabilities / other liabilities		–461,761		–134,571
Customer deposits from banking operations	–909,609	–771,900	–734,003	–534,953
Non-current interest-bearing securities	42,637		42,558	
Interest-bearing securities and fixed-term deposits	95,072		156,493	
Liabilities of the acquiring business and trade payables		–442,495		–439,686
Net Cash Position - Wirecard		731,348		818,832

The calculation shown in the table also contains liabilities from M&A projects and earnout obligations reported as liabilities. For a long term view of the net cash position also the non-current items, “non-current interest-bearing liabilities”, the “other non-current liabilities” and the “non-current financial and other assets / interest bearing securities” are to be taken into account. This calculation also shows the solid financial situation of Wirecard-Group.

Net Cash Position (long term view) - Wirecard

in kEUR	30 Sept 2017		31 Dec 2016	
Net Cash Position - Wirecard		731,348		818,832
Long term interest bearing financial assets	257,975	213,436	216,196	170,834
(thereof customer deposit related)	44,539		45,362	
Non-current interest-bearing liabilities		-685,236		-579,475
Other non-current liabilities		-37,885		-31,425
Non-current Net Cash position		221,663		378,766

Along with the loans recognised in the balance sheet, additional credit lines from commercial banks totalling EUR 350 million are consequently available (31 December 2016: EUR 395 million).

7.5 Free cash flow

Free cash flow is defined as cash flow from operating activities less investment in property, plant and equipment, internally-generated intangible assets and other intangible assets (software). In particular, the free cash flow is available for strategic transactions/M&A and for dividend payments.

Free cash flow

in kEUR	30 Sept 2017	30 Sept 2016
Cash flow from operating activities (adjusted)	233,951	179,159
Operative CAPEX	52,785	44,314
Free cash flow	181,166	134,845

After investments in new and innovative products that will only lead to appreciable cash flows in subsequent years, the cash conversion rate thus stands at 107.5 percent.

Cash conversion

in kEUR	30 Sept 2017	30 Sept 2016
Free cash flow	181,166	134,845
Earnings after tax (adjusted by Visa-effects in 2016)	168,496	126,278
Cash conversion in percent	107.5	106.8

8. Other notes

8.1 Segment reporting

Revenues fall into the following operating segments: “Payment Processing & Risk Management”, “Acquiring & Issuing” and “Call Center & Communication Services”. Due to the constant internationalisation of the Group and its now global presence, Wirecard is reporting its segment split between Europe including Germany, the Asia and Pacific region, as well as America (North and South America) and Africa from Q1 2017 Quarterly Statement onwards. Information is provided on geographical regions according to production locations.

Revenues by operating segment

in kEUR	9M 2017	9M 2016
Payment Processing & Risk Management (PP&RM)	720,446	546,388
Acquiring & Issuing (A&I)	349,625	216,378
Call Center & Communication Services (CC&CS)	7,538	6,236
	1,077,609	769,002
Consolidation PP&RM	-33,467	-37,561
Consolidation A&I	-17,830	-7,925
Consolidation CC&CS	-4,911	-4,164
Total	1,021,401	719,352

EBITDA by operating segment

in kEUR	9M 2017	9M 2016
Payment Processing & Risk Management	223,422	170,947
Acquiring & Issuing	62,242	42,369
Call Center & Communication Services	888	578
	286,552	213,894
Consolidations	0	-5
Total	286,552	213,889

Regional revenue breakdown

in kEUR	9M 2017	9M 2016
Europe (incl. Germany)	559,548	441,950
Asia Pacific	382,029	272,418
America and Africa	106,010	13,991
	1,047,586	728,359
Consolidation Europe	-19,707	-5,443
Consolidation Asia Pacific	-6,478	-3,564
Consolidation America & Africa	0	0
Total	1,021,401	719,352

EBITDA by region

in kEUR	9M 2017	9M 2016
Europe (incl. Germany)	152,521	133,049
Asia Pacific	108,066	77,611
America and Africa	25,965	3,230
	286,552	213,889
Consolidations	0	0
Total	286,552	213,889

Financial information



Consolidated balance sheet – assets

in kEUR	30 Sept 2017	31 Dec 2016
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	672,889	534,892
Customer relationships	485,499	392,329
Internally-generated intangible assets	115,608	99,224
Other intangible assets	82,850	81,682
	1,356,847	1,108,127
2. Property, plant and equipment	57,092	44,656
3. Investments accounted for using the equity method	14,640	14,803
4. Financial and other assets / interest-bearing securities	257,975	216,196
5. Tax credits		
Deferred tax assets	2,771	2,657
Total non-current assets	1,689,326	1,386,438
II. Current assets		
1. Inventories and work in progress	11,972	4,540
2. Receivables of the acquiring business	438,430	402,423
3. Trade and other receivables	268,636	190,185
4. Tax credits		
Tax refund entitlements	10,224	9,353
5. Interest-bearing securities and fixed-term deposits	95,072	156,493
6. Cash and cash equivalents	1,698,536	1,332,631
Total current assets	2,522,870	2,095,624
Total assets	4,212,196	3,482,062

Consolidated balance sheet – equity and liabilities

in kEUR	30 Sept 2017	31 Dec 2016
EQUITY AND LIABILITIES		
I. Equity		
1. Subscribed capital	123,566	123,566
2. Capital reserve	494,682	494,682
3. Retained earnings	978,012	829,286
4. Other components of equity	-49,304	27,429
Total equity	1,546,955	1,474,963
II. Liabilities		
1. Non-current liabilities		
Non-current interest-bearing liabilities	685,236	579,475
Other non-current liabilities	37,885	31,425
Deferred tax liabilities	87,189	59,747
	810,310	670,648
2. Current liabilities		
Liabilities of the acquiring business	395,632	404,767
Trade payables	46,863	34,920
Interest-bearing liabilities	313,031	15,066
Other provisions	2,085	3,914
Other liabilities	148,730	119,505
Customer deposits from banking operations	909,609	734,003
Tax provisions	38,980	24,276
	1,854,931	1,336,452
Total liabilities	2,665,241	2,007,099
Total equity and liabilities	4,212,196	3,482,062

Consolidated income statement

in kEUR	1 Jul 2017 – 30 Sept 2017		1 Jul 2016 – 30 Sept 2016	
Revenues		405,924		267,561
Own work capitalised		10,182		7,965
Cost of materials		219,824		141,515
Gross profit		196,282		134,011
Personnel expenses		47,456		34,397
Other operating expenses		39,004		19,292
Other operating income		462		1,260
Share of profit or loss from associates (at equity)		-183		-44
EBITDA		110,101		81,538
Amortisation and depreciation (M&A adjusted)*		13,806		10,835
EBIT adjusted*		96,295		70,703
Amortisation and depreciation (M&A-related)		9,906		8,379
EBIT		86,389		62,324
Financial result		-5,286		-5,555
Other financial income	1,855		377	
Financial expenses	7,141		5,932	
Earnings before tax **		81,103		56,769
Income tax expense		17,116		7,405
Earnings after tax **		63,987		49,364
Earnings per share (basic and diluted) in EUR		0.51		0.40
Average shares outstanding (basic)		123,565,586		123,490,586
Average shares outstanding (diluted)		123,565,586		123,490,586

* Adjusted by amortisation of assets which result from business combinations and acquired customer relationships (M&A-related)

** Attributable entirely to the shareholders of the parent company

Consolidated income statement

	1 Jan 2017 – 30 Sept 2017	1 Jan 2016 – 30 Sept 2016	in kEUR
	1,021,401	719,352	Revenues
	29,293	19,541	Own work capitalised
	543,370	373,118	Cost of materials
	507,324	365,774	Gross profit
	133,298	93,794	Personnel expenses
	96,381	62,975	Other operating expenses
	9,069	4,910	Other operating income
	-163	-26	Share of profit or loss from associates (at equity)
	286,552	213,889	EBITDA
	38,833	29,219	Amortisation and depreciation (M&A adjusted)*
	247,719	184,670	EBIT adjusted*
	29,405	22,717	Amortisation and depreciation (M&A-related)
	218,315	161,952	EBIT
	-14,930	78,052	Financial result
	4,530	92,836	Other financial income
	19,460	14,784	Financial expenses
	203,384	240,004	Earnings before tax **
	34,888	23,827	Income tax expense
	168,496	216,177	Earnings after tax **
	1.36	1.75	Earnings per share (basic and diluted) in EUR
	123,565,586	123,565,586	Average shares outstanding(basic)
	123,565,586	123,565,586	Average shares outstanding(diluted)

Consolidated cash flow statement

in kEUR	1 Jan 2017 – 30 Sept 2017	1 Jan 2016 – 30 Sept 2016
Earnings after tax	168,496	216,177
Financial result	14,930	13,548
Income tax expense	34,888	23,827
Gain/loss from disposal of non-current assets	0	–244
Amortisation/depreciation	68,237	51,937
Gain/loss from disposal of available-for-sale non-current assets	0	–91,600
Change from currency translation differences	155	–93
Change in inventories	–1,447	36
Change in receivables	–84,861	–23,945
Change in liabilities of the acquiring business and trade payables	–14,207	–40,455
Change in other assets and liabilities	24,971	3,661
Net cash outflow arising from income tax	–22,689	–10,158
Interest paid excluding interest on loans	–1,565	–222
Interest received	2,645	178
Cash flow from operating business before banking operations	189,553	142,648
Change in non-current assets of banking operations	–41,645	–40,513
Change in current assets of banking operations	44,622	–82,304
Change in customer deposits of banking operations	173,173	124,664
Cash flow from operating business of banking operations	176,149	1,847
Cash flow from operating activities	365,703	144,495
Cash outflows for investments in intangible assets	–45,984	–32,199
Cash outflows for investments in property, plant and equipment	–10,685	–12,115
Cash outflows for investments in financial assets and interest-bearing securities	0	–17,372
Cash inflows from sale of financial assets	0	83,040
Cash inflows from repayment of loans extended	1,000	0
Cash outflows for acquisition of consolidated companies less acquired cash	–236,570	–54,216
Cash outflows for acquisition of associates	0	4,320
Cash flow from investing activities	–292,238	–28,541
Cash outflows for previous years' acquisitions of companies	–65,201	–157,600
Redemption of lease liabilities	–9,055	–4,324
Cash inflows from drawing down of financial liabilities	425,378	237,758
Cash outflows for expenses for drawing down of financial liabilities	–4,978	–4,565
Cash outflows for repayment of financial liabilities	–25,511	–13,284
Dividends paid	–19,770	–17,299
Interest paid on loans and finance leases	–7,698	–4,419
Cash flow from financing activities	293,166	36,267
Net change in cash and cash equivalents	366,630	152,222
Exchange-rate-related changes to cash and cash equivalents	–6,223	–3,537
Cash and cash equivalents at start of period	1,331,514	1,053,228
Cash and cash equivalents at end of period	1,691,922	1,201,913

Consolidated cash flow from operating activities (adjusted)

in kEUR	1 Jan 2017 – 30 Sept 2017	1 Jan 2016 – 30 Sept 2016
Earnings after tax	168,496	216,177
Financial result	14,930	13,548
Income tax expense	34,888	23,827
Gain/loss from disposal of non-current assets	0	–244
Amortisation/depreciation	68,237	51,937
Gain/loss from disposal of available-for-sale non-current assets	0	–91,600
Change from currency translation differences	155	451
Change in inventories	–1,447	36
Change in receivables	–35,350	4,019
Change in liabilities of the acquiring business and trade payables	–19,320	–25,362
Change in other assets and liabilities	24,971	1,972
Net cash outflow arising from income tax	–22,689	–15,559
Interest paid excluding interest on loans	–1,565	–222
Interest received	2,645	178
Cash flow from operating activities (adjusted)	233,951	179,159

Receivables and liabilities of acquiring business are transitory in nature and subject to substantial fluctuations from one balance sheet date to another as, inherent to the business model, these balance sheet items are significantly influenced by the overall transaction volume and the security reserves. Receivables of acquiring business mainly comprise receivables from credit card organisations, banks and acquiring partners and liabilities exist to retailers. The customer deposits from the banking business and corresponding securities or receivables from the banking business likewise constitute items that can be eliminated for the cash flow (adjusted). To simplify the identification and reporting of the cash-relevant portion of the Company's own earnings, Wirecard AG has decided to present a further statement in addition to the usual statement of cash flow from operating activities with those items eliminated.

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