October 18, 2022 04:01 AM GMT



## Payments and Processing | North America

# 3Q22 Processor Preview: FIS, FISV, GPN

Though we remain EW, we acknowledge that near trough multiples still incorporate significant pessimism and a stable earnings environment could drive a NT bounce. We still believe M&A/R&D is the best strategy to defend share while the recent VC funding decline could improve competitive dynamics.



| Fidelity National Information | From     | То       |
|-------------------------------|----------|----------|
| Services (FIS.N)              |          |          |
| Price Target                  | \$100.00 | \$85.00  |
| Fiserv Inc. (FISV.O)          |          |          |
| Price Target                  | \$106.00 | \$107.00 |
| Global Payments Inc (GPN.N)   |          |          |
| Price Target                  | \$141.00 | \$128.00 |

Remain EW, but still see glasses half full with deal stocks. While the deal stocks continue to trade near trough multiples, likely due to volume growth not consistently outpacing the networks along with macro headwinds like a stronger dollar, rising rates, and recession risk weighing on EPS, we see near-term upside at current valuation levels. We think outperformance could result from a still stable underlying consumer, the resilience of banking/issuing segments, and less capital coming into the space. We remain EW, however, as longer term, we expect a sustained re-rating at FIS, FISV, and GPN to require material M&A/increased investment to combat increased industry competition.

Underlying consumer spend likely to remain strong in 3Q, with growth relative to the networks most relevant for the deal stocks. US consumer spending appears to have held up generally well in 3Q, with banks we track including JPM, WFC, USB, and C (all covered by Betsy Graseck) reporting average 10.6% growth in 3Q (12.3% in 2Q), which compares to the 11% US volume growth V reported in its intraquarter update through the end of August. While inflation has been a tailwind to consumer spending and the networks in general, we would expect to see less of a benefit at the merchant acquirers due to a larger share of revenue based on transactions rather than volumes. In recent quarters, volume growth at FISV and FIS have lagged that of the card networks by 5-7 percentage points, while GPN grew generally in-line, and we will be watching for any material changes in these trajectories as spending patterns shift. Within their respective merchant businesses, in 3Q we model 4.5% growth at FIS, 10.3% growth at FISV, and 8.9% growth at GPN.

While VC funding has been elevated since 2021, it's trending down in recent qtrs, which historically has driven outperformance in our fintech space. While competitive investment has been multiples higher in recent years, we think it's

| North America<br>IndustryView  | Attractive      |
|--|-----------------|
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Cash your FinTech Check. Listen in to the previous episode of our FinTech podcast, The FinTech Check, where James hosts Brian Nowak, lead U.S. Internet Analyst at Morgan Stanley, and discusses near- and medium-term e-commerce expectations, the importance of grocery as a potential upside catalyst, and the impact to V / MA / PYPL / GLBE. Listen here.

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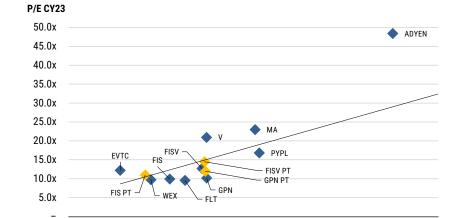
#### Morgan Stanley RESEARCH



important to call out it has been on a downtrend since 1Q22, with 3Q22 levels of VC funding now in-line with that of the same period in 2019. If factors like rising rates and economic risk drive a sustained downturn in VC spending, this can be a positive for our fintech stocks, as they would benefit from reduced industry competition. This is especially true for the merchant acquiring industry, which has seen the largest source of venture and public deal activity in recent periods (see our recent report, VC Funding and the Impact on Fintech Stocks, for more information).

Estimate changes: We're lowering our '22/'23 adj. EPS by 0.4%/3.9% at FIS, 0.3%/1.2% at FISV, and 1.4%/2.4% at GPN. A strong USD weighs on revenue at each company with international revenue making up 20% of the mix at FIS, 14% at FISV, and 21% at GPN. Higher interest rates impact both FIS and FISV, with FIS the most impacted given ~40% of its debt is floating rate and \$3B of its fixed rate debt (which pays very low rates of 0.375%-1.25% currently) needs to be refinanced in the next 3-9 months. At FIS specifically, we think investors want a full handle on next year's interest expense, which we currently model at \$611M (\$481M prior) before fully underwriting shares. Given the stable consumer spending environment, our underlying revenue growth metrics are largely unchanged across the three processors.

We remain EW on FISV, FIS, and GPN, as we lower our FIS PT to \$85 (\$100 prior) and GPN PT to \$128 (\$141 prior), with our FISV PT of \$107 largely unchanged (\$106 prior). Our P/E multiples of 14.5x at FISV, 12.5x at GPN, and 11x are above current trading multiples (13x at FISV, 10x at GPN/FIS), but largely inline to the regression implied multiples relative to peers. With the deal stocks trading near historically low valuations likely given ongoing macro risks, we think a moderate earnings beat (or even closer performance to the networks) could help drive a post-print bounce. We would note that a more meaningful rererating in shares will likely first require multiple expansion at V/MA. This would symbolize an abatement of cyclical fears, with investors typically preferring the networks across the larger payment space. Longer term, we also think sustained performance will depend on higher M&A/investment to better fend off increasing industry competition.



20%

25%

30%

35%

2022-24 EPS CAGR %

40%

Exhibit 1: FIS/FISV/GPN Valuation vs. Comps

Source: Refinitiv, Morgan Stanley Research

2

5%

10%

15%

# Morgan Stanley | RESEARCH





# **Analysis**

What to watch in 3Q results: We believe investors are waiting to see if and when the merchant acquirers can consistently deliver volume growth that's above that of the overall payments industry (i.e. that of the card networks), so as to ease concerns around share loss and competition. In recent quarters, volume growth at FISV and FIS have lagged that of the card networks (V, MA, AXP, and DFS) by 5-7 percentage points, while GPN grew generally in-line (see Exhibit 1). In our view, slower growth is probably due to a combination of both gradual share loss and varying exposure to geographies and verticals. GPN has benefitted from faster growth/recovery in credit spending in discretionary verticals (where it's more exposed), but isn't seeing any of the benefit from the return of travel (to which it has little exposure). AXP and DFS are covered by Betsy Graseck.

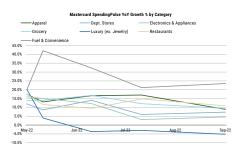
Trends we're watching in US spending: US consumer spending appears to have held up generally well in 3Q, with banks we track including JPM, WFC, USB, and C reporting average 10.6% growth in 3Q. In its intra-quarter update, V reported 11% US volume growth through the end of August. Based on MA's monthly Spending Pulse data, retail categories most relevant for GPN and FISV such as Restaurants and Apparel appear to be holding up relatively well in 3Q vs. 2Q, while total retail spending accelerated to nearly 10% (on average) in 3Q from 6% in 2Q. Meanwhile, growth within in department stores, an important category for FIS, slowed in 3Q to 9% from 12% (Exhibit 3). While inflation could be a tailwind to revenues as it increases volumes processed, it'll likely be less of a benefit to the processors than it is for V/MA due to pricing structures. For example, half of FIS' merchant volumes, specifically those related more to discretionary purchases, are priced on volume, while the other half related to nondiscretionary volumes (where inflation has been higher) is priced on number of transactions. Additionally, even as fuel & convenience spending continues to be up double digits on high inflation, we think GPN, which has considerable fuel exposure, earns fuel-related revenues on transactions rather than volumes.

**Exhibit 2:** FIS and FISV volumes growing below network global volume growth



Source: Company Filings, Morgan Stanley Research Estimates. Note: Card networks include Visa, Mastercard, American Express, Discover. FISV volume growth for 2020 is based on MS assumptions, while 2021-22 is reported gro

**Exhibit 3:** Spending Pulse shows slower average spend growth in department stores and restaurants in 3Q



Source: Mastercard Spending Pulse, Morgan Stanley Research

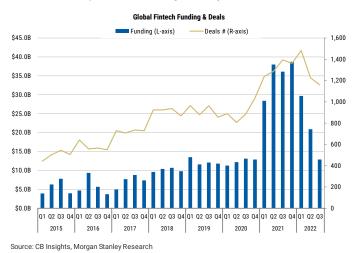
**Competition flooded with new investor capital...:** Venture capital funding to fintechs broadly totaled \$102B in the 12 months ending September (CB Insights), and merchant



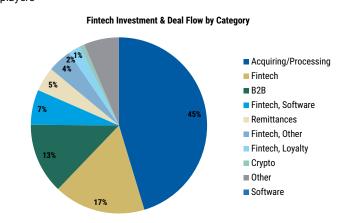
processing/acquiring has been the largest source of venture and public deal activity during that period, with nearly half the total funds raised going to that category (The Nilson Report) (see Exhibit 4and Exhibit 5). We've consistently said that we don't expect the incremental capital will lead to higher overall industry growth, implying lower returns. As such, we think the best way for incumbents like FISV to ensure future growth is through M&A that ultimately proves transformative by increasing exposure to faster-growth areas of the market. Over the last couple years, the three processors each favored using cash for larger increases in share buybacks vs. M&A/investment, though FISV and GPN have encouragingly been increasing the pace/size of M&A in recent quarters. With falling valuations, the companies may be tempted to keep aggressively buying their own shares, but we still think that looking to add capabilities/high-growth exposure is a better strategic use of capital.

...But pace of funding coming down: While competitive investment has been multiples higher in recent years, we think it's important to call out it has been on a downtrend since 1Q22, with 3Q22 levels of VC funding in-line with that of the same period in 2019. We acknowledge that there could be near-term cyclical headwinds that could bring VC funding down in the coming quarters/years, such as higher rates and the threat of a possible recession. If these macro factors drive a sustained reduction in VC funding, it could reduce competitive threat for the acquirers and provide a compelling opportunity to invest in the public fintech space, following a prolonged period of recent weakness. As we noted in our report, VC Funding and the Impact on Fintech Stocks, based on our quant analysis with AlphaWise, fintech stocks fare better in periods of lower VC funding.

Exhibit 4: VC capital to fintechs significantly elevated since 1Q21



**Exhibit 5:** Greatest share of deal flow going to merchant processing players



 $Source: The \, Nilson \, Report, \, Morgan \, Stanley \, Research. \, Note: Shows \, mix \, of \, deal \, flow \, beginning \, 2021 \, through \, August \, 2022$ 

#### **Estimate changes:**

• FIS: We're lowering our FIS '22 revenue by 0.4% and '23 revenue by 1.3% driven by FX headwinds primarily around the GBP and EUR, given 20% of FIS revenue comes from outside of the US. We're lowering our FIS '22 adj. EPS by 3c to \$7.03 (\$7.06 prior), with '23 adj. EPS coming down by a more meaningful 4% to \$7.68 (\$7.99 prior). Beyond the FX impact, higher interest expense has a material impact on '23 EPS for 3 primary reasons. 1) FIS will be reissuing CP for €1,000 of notes maturing in December (currently pay 1.25% rate) and another \$750M of notes maturing in March (currently pay 0.375%). 2) FIS will refinance its May maturity of €1,250,



which currently pays 0.75%. 3) FIS has  $\sim$ 40% of variable debt in aggregate that will be exposed to higher LIBOR. Net net, we increase our FIS '23 interest expense to \$611M from \$481M prior to account for these impacts.

- **FISV**: With 14% of revenue coming from outside of the US, FX headwinds drives our revenue down 0.2% vs. prior in '22 and 0.7% vs. prior in '23. We increase our interest expense to \$717M from \$687M prior to account for FISV's 15% of variable debt (largely in the form of commercial paper), though this is offset to an extent by increased interest income. Net net, our FISV '22 adj EPS falls to \$6.53 (\$6.54 prior) and '23 adj. EPS falls to \$7.35 (\$7.43 prior).
- **GPN**: With 21% of revenue coming from outside the U.S., FX headwinds largely around the GBP and EUR drive our '22 revenue down 0.3% and '23 revenue down 1.3%. We lower our '22 GPN adj. EPS to \$9.35 (\$9.48 prior) and '23 adj. EPS to \$10.76 (\$11.02 prior). Note that GPN does not have floating rate exposure.

**FISV into the print:** MS/Consensus estimates for FISV's 3Q22 results stand at total adjusted revenues of \$4.27B/\$4.28B growing 7.8%/7.9% YoY, an adjusted operating margin of 35.9%/35.7% and Adj. EPS of \$1.73/\$1.70. By segment, MS/Cons calls for of 10.3%/9.8% growth in Merchant Acceptance and 7.0%/6.2% growth in Payments.

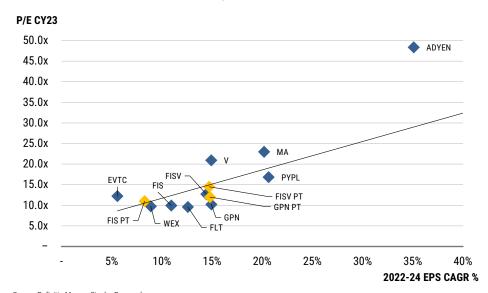
**FIS** into the print: MS/Consensus estimates for FIS's 3Q22 results stand at total adjusted revenues of \$3.62B/\$3.61B growing 3.3%/2.9% YoY, an adjusted Ebitda margin of 44.6%/44.5% and Adj. EPS of \$1.78/\$1.76. By segment, MS/Cons calls for of 4.5%/4.5% growth in Merchant and 3.0%/3.8% growth in Banking.

**GPN into the print:** MS/Consensus estimates for GPN's 3Q22 results stand at total adjusted revenues of \$1.96B/\$2.04B growing -1.7%/+2.7% YoY, an adjusted operating margin of 45.1%/44.6% and adj. EPS of \$2.50/\$2.49. By segment, MS/Cons calls for of 9%/9% growth in Merchant and 9%/8% growth in Issuer.

Remain EW on the deal stocks: We remain EW on FISV, FIS, and GPN, as we lower our FIS PT to \$85 (\$100 prior) and GPN PT to \$128 (\$141 prior). Our FISV PT of \$107 is largely unchanged (\$106 prior). Note that we have adjusted our valuation methodology from using EV/EBITDA to now using P/E. Our P/E multiples of 14.5x at FISV, 12x at GPN, and 11x are above current trading multiples (13x at FISV, 10x at GPN/FIS), and closer to the regression implied multiples relative to peers. With the deal stocks trading near historically low valuations likely given ongoing macro risks, we think a moderate earnings beat (or even closer performance to the networks) could help drive a post-print bounce. Additionally, near-term positives around less capital coming into the space and the resilience of the non-acquiring segments (banking/capital markets) in a recessionary scenario could also improve sentiment around the stocks. Still, we would note that a more meaningful re-rerating in shares will likely first require multiple expansion at V/MA. This would symbolize an abatement of cyclical fears, with investors typically preferring the networks across the larger payment space. Longer term, we continue to expect that outperformance will depend on higher M&A/investment.



Exhibit 6: FIS/FISV/GPN Valuation vs. Comps



Source: Refinitiv, Morgan Stanley Research.

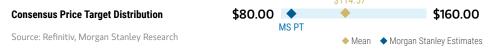


## Risk Reward - Fidelity National Information Services (FIS.N)

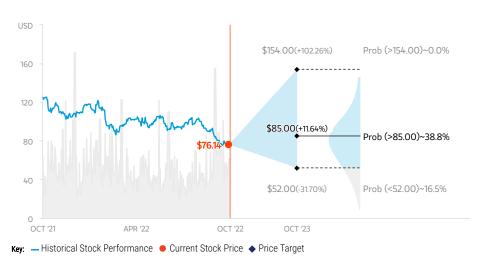
Prefer faster LT growth outlook elsewhere given high competition in the space

#### PRICE TARGET \$85.00

Based on 11x target P/E multiple on our base-case 2023 Adj. EPS estimate. Our target multiple is at a 7x discount to FIS' 5-year average multiple, given rising concerns about the ability of legacy merchant acquirers to compete and sustain growth.



#### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)

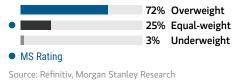


Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 Oct, 2022. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

#### **EQUAL-WEIGHT THESIS**

FIS likely to see slower growth vs. faster growing rivals that are benefitting from massive capital influxes and gaining share. Recovering T&E, international expansion, and ecommerce growth should help it achieve high-single to low-double digit merchant growth, but we prefer other Payments providers that can deliver higher quality, compounding earnings growth longer term.

#### **Consensus Rating Distribution**



#### **Risk Reward Themes**

Contrarian: Negative
Market Share: Negative
Special Situation: Positive

View descriptions of Risk Rewards Themes  $\underline{\text{here}}$ 

#### BULL CASE \$154.00 BASE CASE \$85.00 BEAR CASE \$52.00

#### 15x Bull Case CY23 Adj. EPS

Quick macro recovery and M&A optionality: Economy re-accelerates, as merchant revenues expand by low-teens. Growth is supported by M&A that helps defend against share donation, and expansion in ecommerce and internationally.

#### 11x Base Case CY23 Adj. EPS

Covid-19 recovery throughout 2022, with resilient consumer into '23. Covid-19 recovery continues in FY22 and consumer spending remains resilient in '23. This supporting mid-to-high-single digit growth, driven by high-single-digit gains in the Merchant segment, and mid-single digit expansion in the Banking and Capital Markets businesses. Potential recession risk and new competition keeps us nearer to the low-end of mgmt's medium-term target for 7-9%.

#### 8x Bear Case CY23 Adj. EPS

Slower growth as competition rises; macro headwinds persist: Revenues recover more gradually, reaching just 3% growth in CY23 as competition takes share from FIS in Merchant, which expands low-single digits vs. mgmt's expectation for low-double digit growth. Recession risks materialize and impacts are greater than anticipated.



## Risk Reward - Fidelity National Information Services (FIS.N)

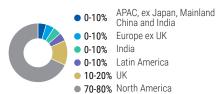
#### **KEY EARNINGS INPUTS**

| Drivers                         | 2021 | 2022e | 2023e | 2024e |
|---------------------------------|------|-------|-------|-------|
| Merchant Revenue YoY Growth (%) | 19.4 | 9.3   | 6.8   | 9.8   |
| Total Revenue YoY Growth (%)    | 10.5 | 5.3   | 6.3   | 6.9   |
| Adj. EBITDA YoY Growth (%)      | 16.3 | 6.2   | 8.2   | 8.5   |
| Adj. EPS YoY Growth (%)         | 19.9 | 7.3   | 9.2   | 18.6  |

#### **INVESTMENT DRIVERS**

- Potential for more M&A
- Outsourced tech spend in Financial Services industry
- Announcement of competitive takeaways
- · High competition

#### **GLOBAL REVENUE EXPOSURE**



Source: Morgan Stanley Research Estimate View explanation of regional hierarchies <u>here</u>

#### MS ALPHA MODELS

|  | /5 3 Month<br>OST Horizon |
|--|---------------------------|
|--|---------------------------|

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

#### **RISKS TO PT/RATING**

#### RISKS TO UPSIDE

- Client wins
- · FIs increase outsourced tech spend
- Faster synergies realization
- Faster deleveraging, resulting in acquisitions
- New solutions drive market share gain at Worldpay

#### **RISKS TO DOWNSIDE**

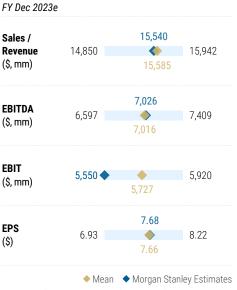
- Competitive losses
- Decreased outsourced tech spend
- · Security breach
- Slower synergies realization
- Integration issues cause share loss at Worldpay
- Pricing sensitivity returns to merchant acquiring

#### **OWNERSHIP POSITIONING**

| Inst. Owners, % Active     | 66.8% |  |  |
|----------------------------|-------|--|--|
| HF Sector Long/Short Ratio | 2.3x  |  |  |
| HF Sector Net Exposure     | 32.7% |  |  |

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

#### MS ESTIMATES VS. CONSENSUS



Source: Refinitiv, Morgan Stanley Research



## Risk Reward – Fiserv Inc. (FISV.O)

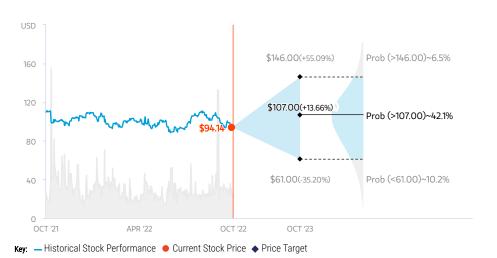
Risk/reward fairly balances strong earnings growth with execution/LT growth risk

#### PRICE TARGET \$107.00

Our PT is derived by applying a 14.5x P/E multiple on our 2023 Adj. EPS. This is at a  $\sim$ 5x discount to the stock's 5-year historical average but a  $\sim$ 1.5x premium to where it currently trades.



#### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)

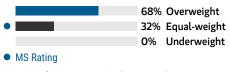


Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 Oct, 2022. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology <a href="here">here</a>

#### **EQUAL-WEIGHT THESIS**

Long term, performance is likely to lag our preferred Payments names (V, MA, PYPL), who benefit from greater exposure to the higher growth areas and face less competitive pressure, and can deliver compounding earnings growth. Preference for capital strategy focused on reinvestment and M&A keeps us on the sidelines as Fiserv prioritizes share repurchases and tuck-in acquisitions.

#### **Consensus Rating Distribution**



Source: Refinitiv, Morgan Stanley Research

#### **Risk Reward Themes**

Market Share: Negative
Special Situation: Positive

View descriptions of Risk Rewards Themes  $\underline{\text{here}}$ 

#### BULL CASE \$146.00 BASE CASE \$107.00 BEAR CASE \$61.00

19x CY23e bull-case adj. EPS

Macro recovers quickly; FISV able to keep share and drive better growth: Merchant segment grows faster as FISV defends share on investments and acquisitions. Meanwhile, competitive wins drive better growth for the Payments and Fintech segments. Margins expand on scale and EPS grows mid-teens.

14.5x CY23e base-case adj. EPS

Recovery and synergies help deliver growth in-line with targets near-term but capital allocation away from M&A weighs on multiple: The merchant segment grows high-single to low-teens in FY22-23, but competitive pressures cause growth to trail peers. Tuck in acquisitions help, but the need to reinvest limits margin expansion. Adj. EPS continues to grow double-digits on heavy share buybacks.

9x CY23e bear-case adj. EPS

Macro growth slows, preventing FISV from achieving its targets: Merchant segment grows below the 9-12% medium-term target on a weaker macro and intensifying competition. M&A deals slow and greater investments weigh on margin.



## Risk Reward – Fiserv Inc. (FISV.O)

#### **KEY EARNINGS INPUTS**

| Drivers                      | 2021 | 2022e | 2023e | 2024e |  |
|------------------------------|------|-------|-------|-------|--|
| Total Revenue YoY Growth (%) | 10.7 | 8.8   | 6.3   | 6.5   |  |
| Adj. EBITDA YoY Growth (%)   | 15.8 | 11.8  | 7.7   | 7.8   |  |
| Adj. EPS YoY Growth (%)      | 26.3 | 16.9  | 12.5  | 11.7  |  |

#### INVESTMENT DRIVERS

- · Deal synergies upside
- Improvements at First Data
- · Outsource tech spend at FIs
- Announcement of competitive takeaways

#### **GLOBAL REVENUE EXPOSURE**



Source: Morgan Stanley Research Estimate View explanation of regional hierarchies <u>here</u>

#### MS ALPHA MODELS

| 2/5  | 24 Month | 5/5  | 3 Month |
|------|----------|------|---------|
| BEST | Horizon  | most | Horizon |
| D_0. |          |      |         |

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

#### **RISKS TO PT/RATING**

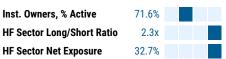
#### RISKS TO UPSIDE

- Client wins
- Fls increase outsourced tech spend
- Faster realization of synergies
- Faster deleveraging, resulting in new accretive acquisitions

#### **RISKS TO DOWNSIDE**

- Competitive losses or decreased outsourced tech spend
- Security breach leading to client loss/investments
- Slower synergies realization
- Consolidation of FIs
- Competition drives up investments, pressuring margins
- Pricing sensitivity returns to merchant acquiring

## **OWNERSHIP POSITIONING**



Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

#### MS ESTIMATES VS. CONSENSUS



Source: Refinitiv, Morgan Stanley Research



## Risk Reward – Global Payments Inc (GPN.N)

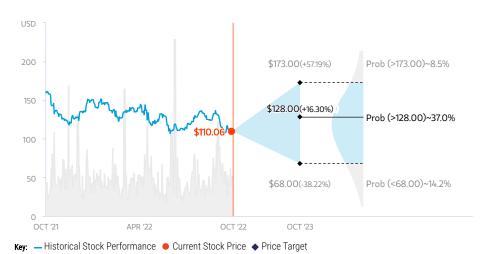
Software driven merchant acquiring drives growth, but like risk/reward elsewhere

#### PRICE TARGET \$128.00

Based on a  $\sim$ 12.5x multiple on our 2023 adj. EPS (SBC burdened). Our applied multiple is at a discount to GPN's historical average given growing competition and lower confidence in GPN's ability to sustain growth and retain share.



#### RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)

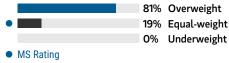


Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 Oct, 2022. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

#### **EQUAL-WEIGHT THESIS**

Among the three deal stocks, GPN has the largest exposure to core merchant acquiring, which drives higher risk if we were to enter a recession. Absent an economic downturn, GPN could benefit from 1) greater exposure to discretionary credit volumes, which are still recovering post-COVID, along with 2) near-term and long-term M&A-related opportunities and 3) upside surprise potential from deal synergies. However, we prefer other names in our space with more resilient earnings growth longer term.

#### **Consensus Rating Distribution**



Source: Refinitiv, Morgan Stanley Research

#### **Risk Reward Themes**

Secular Growth: Positive
Special Situation: Positive

View descriptions of Risk Rewards Themes here

#### BULL CASE \$173.00 BASE CASE \$128.00 BEAR CASE \$68.00

# 16x bull case CY23e Adj. EPS (SBC burdened)

Economy avoids recession and reaccelerates: Net revenues grow faster than expectations as GPN benefits from M&A, increased exposure to high growth verticals and software, and as competition softens. Large new client wins in Issuer also drive upside. Scale plus buybacks drive high-teens to 20%+ EPS growth in CY22-23.

## 12.5x base case CY23e Adj. EPS (SBC burdened)

In-line with expectations for resilient consumer spending and better growth from ecommerce and software: Net revenues grow high single digits in CY22 on persistent PCE growth and Issuer wins, while share buy backs and operating leverage drive double-digit EPS growth in CY22 and CY23.

## 7x bear case CY23e Adj. EPS (SBC burdened)

Slower macro and rising competition: Net revenues grow slower as the Merchant segment faces a spending slowdown and intense competition. Issuer pipeline also dries up as new entrants win share. Cash availability for M&A or repurchases weakens, driving slower low-double-digit EPS growth.



## Risk Reward - Global Payments Inc (GPN.N)

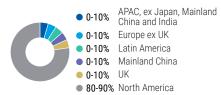
#### **KEY EARNINGS INPUTS**

| Drivers                                     | 2021 | 2022e | 2023e | 2024e |  |
|---|------|-------|-------|-------|--|
| Total Net Revenue YoY Growth (%)            | 14.7 | 2.0   | 2.8   | 8.9   |  |
| Adj. Operating Margin (on Net Revenues) (%) | 41.8 | 43.7  | 45.1  | 45.8  |  |
| Adj. EPS YoY Growth (%)                     | 27.6 | 14.5  | 15.1  | 14.4  |  |

#### INVESTMENT DRIVERS

- Deal synergies upside
- Potential for new accretive M&A deals
- Announcement of competitive takeaways in Merchant or Issuer Solutions

#### **GLOBAL REVENUE EXPOSURE**



Source: Morgan Stanley Research Estimate View explanation of regional hierarchies <u>here</u>

#### MS ALPHA MODELS

| 1/5  | 24 Month | 5/5  | 3 Month |
|------|----------|------|---------|
| BEST | Horizon  | MOST | Horizon |
| BEST | HOHZOH   | MOST | HOMZOM  |

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

#### **SUSTAINABILITY & ESG**

| Indicator of Change | 0.38 | +1.0 | -1.0 |
|---------------------|------|------|------|
| Disclosure Rate     | 29%  |      |      |

#### **RISKS TO PT/RATING**

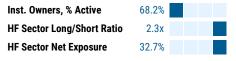
#### **RISKS TO UPSIDE**

- Client wins in Merchant and Issuer Solutions
- Faster realization of deal synergies
- Faster deleveraging, resulting in new accretive acquisitions

#### **RISKS TO DOWNSIDE**

- · Material slowdown in consumer spending
- Competitive losses
- Slower synergies realization
- Pricing sensitivity returns to merchant acquiring

#### **OWNERSHIP POSITIONING**



Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure - Short Exposure).

#### MS ESTIMATES VS. CONSENSUS



Source: Refinitiv, Morgan Stanley Research



# FIS Financial Model

Exhibit 7: FIS Income Statement

| INCOME STATEMENT (\$ in millions except per share                             |                   |                  |                  |                         |                  |                  |                  |                  |                   |                 |                  |                  |                  |                   |                   |
|---|-------------------|------------------|------------------|-------------------------|------------------|------------------|------------------|------------------|-------------------|-----------------|------------------|------------------|------------------|-------------------|-------------------|
| data)   | 2018A             | 2019A            | 2020E            | 2021A                   | 1022A            | 2022A            | 3Q22E            | 4022F            | 2022E             | 1023E           | 2023E            | 3023E            | 4023E            | 2023E             | 2024E             |
| Merchant Solutions  | 3,918.0           | 4,113.0          | 3,767.0          | 4,497.0                 | 1,112.0          | 1,302.0          | 1,213.5          | 1,285.6          | 4,913.1           | 1,225.0         | 1,339.1          | 1,284.0          | 1,397.8          | 5,245.9           | 5,760.0           |
| YoY % change  | NM                | 5.0%             | -8.4%            | 19.4%                   | 15.1%            | 10.6%            | 4.5%             | 7.8%             | 9.3%              | 10.2%           | 2.9%             | 5.8%             | 8.7%             | 6.8%              | 9.8%              |
| Banking Solutions   | 5,969.0           | 5,871.0          | 5,999.0          | 6,395.0                 | 1,645.0          | 1,663.0          | 1,658.3          | 1,708.7          | 6,675.0           | 1,747.8         | 1,766.9          | 1,753.7          | 1,819.7          | 7,088.1           | 7,495.6           |
| YoY % change  | NM                | -1.6%            | 2.2%             | 6.6%                    | 6.8%             | 5.4%             | 3.0%             | 2.5%             | 4.4%              | 6.3%            | 6.3%             | 5.8%             | 6.5%             | 6.2%              | 5.7%              |
| Capital Markets Solutions   | 2,391.0           | 2,524.0          | 2,549.0          | 2,625.0                 | 658.0            | 663.0            | 690.0            | 751.8            | 2,762.8           | 690.9           | 696.2<br>5.0%    | 724.5            | 789.4            | 2,900.9           | 3,046.0           |
| YoY % change<br>Corporate & Other   | 48.0              | 5.6%<br>272.0    | 1.0%<br>238.0    | 3.0%                    | 5.3%<br>77.0     | 5.2%<br>91.0     | 5.5%<br>59.7     | 5.0%<br>37.5     | 5.2%<br>265.1     | 5.0%<br>73.3    | 76.0             | 5.0%<br>75.2     | 5.0%<br>80.1     | 5.0%<br>304.7     | 5.0%<br>308.1     |
| Revenue Syneraies   | 48.0              | 2/2.0            | 238.0            | 360.0                   | 77.0             | 91.0             | 59.7             | 37.5             | 265.1             | /3.3            | 76.0             | /5.2             | 80.1             | 304.7             | 308.1             |
| Adi, Consolidated Revenues  | 12.416.7          | 12.780.0         | 12.553.0         | 13.877.0                | 3.492.0          | 3.719.0          | 3,621.5          | 3.783.5          | 14.616.0          | 3.737.0         | 3.878.2          | 3.837.3          | 4.087.0          | 15.539.6          | 16,609,6          |
| YoY % change  | 15.0%             | 2.9%             | -1.8%            | 10.5%                   | 8.3%             | 7.0%             | 3.3%             | 3.0%             | 5.3%              | 7.0%            | 4.3%             | 6.0%             | 8.0%             | 6.3%              | 6.9%              |
| Total Operating Expenses  | 8.329.7           | 8.108.3          | 8.257.0          | 9.011.0                 | 2.437.0          | 2.467.0          | 2.349.0          | 2.262.9          | 9.515.9           | 2.578.1         | 2.541.6          | 2.458.3          | 2.411.7          | 9.989.8           | 10.563.6          |
| Cost Synergies  | .,                | .,               | ., .             |                         |                  |                  | -                |                  |                   | -               |                  | -                | · -              |                   | -                 |
| Operating Income (Adjusted)   | 4,087.0           | 4,671.7          | 4,296.0          | 4,866.0                 | 1,055.0          | 1,252.0          | 1,272.5          | 1,520.6          | 5,100.1           | 1,158.9         | 1,336.6          | 1,379.0          | 1,675.3          | 5,549.9           | 6,046.0           |
| YoY % change  | 27.0%             | 14.3%            | -8.0%            | 13.3%                   | 2.5%             | 2.4%             | 2.5%             | 10.8%            | 4.8%              | 9.9%            | 6.8%             | 8.4%             | 10.2%            | 8.8%              | 8.9%              |
| Operating Margin  | 32.9%             | 36.6%            | 34.2%            | 35.1%                   | 30.2%            | 33.7%            | 35.1%            | 40.2%            | 34.9%             | 31.0%           | 34.5%            | 35.9%            | 41.0%            | 35.7%             | 36.4%             |
| Depreciation and Amortization   | 845.5             | 886.8            | 963.0            | 1,252.0                 | 363.0            | 347.0            | 344.0            | 340.5            | 1,394.6           | 355.0           | 368.4            | 364.5            | 388.3            | 1,476.3           | 1,577.9           |
| EBITDA (Adjusted)   | 4,932.5           | 5,558.5          | 5,259.0          | 6,118.0                 | 1,418.0          | 1,599.0          | 1,616.5          | 1,861.2          | 6,494.7           | 1,513.9         | 1,705.1          | 1,743.5          | 2,063.6          | 7,026.1           | 7,623.9           |
| YoY % change  | 24.7%             | 12.7%            | -5.4%            | 16.3%                   | 8.4%             | 5.2%             | 2.0%             | 9.2%             | 6.2%              | 6.8%            | 6.6%             | 7.9%             | 10.9%            | 8.2%              | 8.5%              |
| Adj. EBITDA Margin  | 39.7%             | 43.5%            | 41.9%            | 44.1%                   | 40.6%            | 43.0%            | 44.6%            | 49.2%            | 44.4%             | 40.5%           | 44.0%            | 45.4%            | 50.5%            | 45.2%             | 45.9%             |
| Interest income (expense), net  | (601.9)           | (478.3)          | (334.0)          | (214.0)                 | -43.0            | -47.0            | -81.1            | -113.6           | (284.7)           | -138.1          | -154.9           | -157.8           | -160.6           | (611.4)           | (671.0)           |
| Other income (expense)  | (2.0)             | (5.4)            | 6.0              | ` 60.0′                 | 52.0             | 42.0             | 40.0             | 40.0             | 174.0             | 40.0            | 40.0             | 40.0             | 40.0             | 160.0             | 160.0             |
| Income tax expense/(benefit)  | 546.4             | 614.2            | 539.0            | 638.0                   | 159.0            | 188.0            | 152.1            | 213.4            | 712.5             | 159.1           | 183.3            | 189.2            | 233.2            | 764.8             | 857.9             |
| Tax rate  | 15.7%             | 14.7%            | 13.6%            | 13.5%                   | 14.9%            | 15.1%            | 12.4%            | 14.8%            | 14.3%             | 15.0%           | 15.0%            | 15.0%            | 15.0%            | 15.0%             | 15.5%             |
| Equity method investment earnings   | (1.0)             | 1 1              | 5                |                         |                  |                  | Ē                | - 1              |                   |                 |                  |                  |                  |                   |                   |
| Net income attributable to non-controlling interests  Net Earnings (Adjusted) | (41.8)<br>2.893.9 | (7.9)<br>3.565.9 | (6.0)<br>3.423.0 | (7.0)<br><b>4.067.0</b> | (1.0)<br>904.0   | (3.0)<br>1.056.0 | (3.1)<br>1.076.2 | (3.5)<br>1.230.1 | (10.6)<br>4,266.3 | (2.2)<br>899.5  | (2.6)<br>1.035.9 | (2.6)<br>1.069.4 | (3.3)<br>1.318.2 | (10.7)<br>4.323.0 | (11.5)<br>4.665.6 |
| Diluted EPS Continuing Operations (Adjusted)                                  | \$8.73            | \$8.20           | \$5,42           | \$6.55                  | \$1,47           | \$1.73           | \$1,78           | \$2.07           | 4,200.3<br>\$7.03 | \$1.54          | \$1.82           | \$1.92           | \$2.43           | \$7.68            | \$9.11            |
| YoY % change  | 47.7%             | -6.0%            | -33,4%           | 19.9%                   | 13.0%            | 7.4%             | 2.8%             | 7.6%             | 7.3%              | 4.9%            | 5.3%             | 8.2%             | 17.5%            | 9.2%              | 18.6%             |
|   |                   |                  |                  |                         |                  |                  |                  |                  |                   |                 |                  |                  |                  |                   |                   |
| Net Income (attributable to FIS common stockholders (GAA                      |                   | 881.9            | 157.0            | 356.5                   | 120.0            | 522.7            | 548.0            | 738.7            | 1,929.3           | 405.6           | 540.3            | 596.1            | 831.1            | 2,373.2           | 2,870.6           |
| Diluted EPS (GAAP)  | \$2.48            | \$2.32           | \$0.25           | \$0.58                  | \$0.20           | \$0.86           | \$0.90           | \$1.24           | \$3.20            | \$0.70          | \$0.95           | \$1.07           | \$1.53           | \$4.25            | \$5.64            |
| YoY % change Average diluted shares outstanding                               | 331.8             | -6.2%<br>450.0   | -89.2%<br>626.3  | 132.5%<br>620.5         | -133.0%<br>614.0 | 92.3%            | 254.5%<br>605.5  | 161.7%<br>595.5  | 449.3%<br>606.5   | 256.3%<br>582.5 | 11.0%<br>569.1   | 18.5%<br>555.9   | 23.4%<br>543.0   | 32.9%<br>562.6    | 32.8%<br>512.0    |
| Average diluted snares outstanding  | 331.8             | 450.0            | 626.3            | 620.5                   | b14.0            | ь11.0            | BU5.5            | 595.5            | 606.5             | 582.5           | 569.1            | 555.9            | 543.0            | 562.6             | 512.0             |

Source: Company data, Morgan Stanley Research estimates

Exhibit 8: FIS Cash Flow Statement

| CASH FLOW STATEMENT (\$ in millions)   | 2018A               | 2019A                    | 2020E                                   | 2021A                  | 1Q22A      | 2Q22A             | 3Q22E     | 4Q22E     | 2022E               | 1Q23E     | 2Q23E     | 3Q23E     | 4Q23E     | 2023E        | 2024E     |
|--|---------------------|--------------------------|---|------------------------|------------|-------------------|-----------|-----------|---------------------|-----------|-----------|-----------|-----------|--------------|-----------|
| Cash Flow from Operating Activities  |                     |                          |   |                        |            |                   |           |           |                     |           |           |           |           |              |           |
| Net income   | 881.0               | 303.0                    | 164.0                                   | 424.0                  | 121.0      | 280.0             | 548.0     | 738.7     | 1.687.7             | 405.6     | 540.3     | 596 1     | 831.1     | 2.373.2      | 2.870.6   |
| Adjustments  |                     |                          |   |                        |            |                   |           |           | ,                   |           |           |           |           |              |           |
| Depreciation and amortization  | 1.420.0             | 2.444.0                  | 3.714.0                                 | 4.015.0                | 1.013.0    | 975.0             | 946.7     | 917.0     | 3.851.7             | 936.0     | 951.4     | 9214      | 961.3     | 3,770.1      | 3.702.2   |
| Amortization of debt issue costs   | 17.0                | 24.0                     | 31.0                                    | 30.0                   | 7.0        | 8.0               | -         |           | 15.0                | -         | -         | -         | -         | -,           | -,        |
| ClearPar contingent consideration included in discontinue                        |                     |                          |   |                        |            | -                 | _         |           | -                   | _         | _         | _         | - 1       |              |           |
| Gain on sale of business   | 50.0                | 18.0                     | 9.0                                     | (227.0)                | _          | (5.0)             | _         |           | (5.0)               | _         | _         | _         | - 1       |              | - 1       |
| Stock-based compensation   | 84.0                | 402.0                    | 283.0                                   | 383.0                  | 57.0       | 88.0              | 150.0     | 156.7     | 451.7               | 115.5     | 119.9     | 118.6     | 126.3     | 480.3        | 513.3     |
| Deferred income taxes  | (116.0)             | (109.0)                  | (206.0)                                 | (81.0)                 | (112.0)    | (274.0)           | -         | -         | (386.0)             |           | -         | -         |           |              |           |
| Excess income tax benefit from exercise of stock options                         | (,                  | (,                       | (====)                                  | (0.1.0)                | ()         | (=)               | _         |           | (,                  | _         | _         | _         |           |              |           |
| Other operating activities   | 96.0                | 179.0                    | 136.0                                   | 730.0                  | 58.0       | 29.0              | _         |           | 87.0                | _         | _         | _         | - 1       | -            | - 1       |
| Net changes in assets and liabilities:   |                     |                          |   |                        |            |                   |           |           |                     |           |           |           | - 1       |              |           |
| Trade receivables  | 78.0                | (161.0)                  | (75.0)                                  | (552.0)                | 62.0       | 52.0              | (28.4)    | (284.9)   | (199.3)             | (161.2)   | 237.6     | (88.3)    | (386.5)   | (398.3)      | (357.0)   |
| Settlement activity  | 9.0                 | (165.0)                  | 862.0                                   | 653.0                  | (162.0)    | 56.0              | 362.4     | (60.5)    | 195.8               | 139.0     | (220.1)   | 470.5     | 48.3      | 437.7        | 363.0     |
| Prepaid expenses and other assets  | (16.0)              | (129.0)                  | (264.0)                                 | (526.0)                | (152.0)    | (98.0)            | 255.3     | (66.4)    | (61.1)              | (100.9)   | 11.7      | 26.7      | 14.9      | (47.6)       | (37.8)    |
| Deferred contract costs  | (248.0)             | (379.0)                  | (473.0)                                 | (453.0)                | (73.0)     | (117.0)           | 45.9      | 33.5      | (110.7)             | (122.5)   | 14.2      | 32.4      | 18.1      | (57.9)       | (45.9)    |
| Deferred revenue   | (100.0)             | 40.0                     | 58.0                                    | 23.0                   | 55.0       | (85.0)            | -         | -         | (30.0)              | ()        |           |           |           | (=: :=)      | (10.0)    |
| Accounts payable, accrued liabilities, and other liabilities                     | (162.0)             | (57.0)                   | 203.0                                   | 391.0                  | 22.0       | 115.0             | (74.9)    | 124.5     | 186.6               | (35.7)    | 108.5     | (31.4)    | 191.8     | 233.1        | 193.3     |
| Cash flow from operations  | 1,993.0             | 2,410.0                  | 4,442.0                                 | 4.810.0                | 896.0      | 1.024.0           | 2,204,9   | 1.558.5   | 5,683,3             | 1,175.9   | 1.763.4   | 2.045.8   | 1,805,4   | 6,790.5      | 7.201.6   |
|  | .,                  | -,                       | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | .,                     |            | ,,                | -,        | .,        | -,                  | .,        | .,        | -,        | .,        | -,,,,,,,,,,, | .,        |
| Cash Flow from Investing Activities  |                     |                          |   |                        |            |                   |           |           |                     |           |           |           | - 1       |              |           |
| Additions to property and equipment  | (127.0)             | (200.0)                  | (263.0)                                 | (320.0)                | (108.0)    | (65.0)            | (67.2)    | (79.7)    | (319.9)             | (112.1)   | (116.3)   | (115.1)   | (122.6)   | (466.2)      | (498.3)   |
| Additions to computer software   | (495.0)             | (628.0)                  | (866.0)                                 | (931.0)                | (304.0)    | (275.0)           | (240.6)   | (223.0)   | (1,042.6)           | (224.2)   | (232.7)   | (230.2)   | (245.2)   | (932.4)      | (996.6)   |
| Receipt of contingent consideration from ClearPar sale                           | (16.0)              | (020.0)                  | (000.0)                                 | (831.0)                | (304.0)    | (2/5.0)           | (240.6)   | (223.0)   | (1,042.0)           | (224.2)   | (232.1)   | (230.2)   | (245.2)   | (832.4)      | (880.0)   |
| Acquisitions, net of cash acquired, and equity investment                        | (10.0)              | (6.632.0)                | (469.0)                                 | (767.0)                | -          | -                 | -         | - 1       | -                   | -         | -         | -         | - 1       | - 1          | - 1       |
| Other investing activities, net  | (30.0)              | (41.0)                   | 684.0                                   | 247.0                  | 122.0      | 501.0             | -         | -         | 623.0               | -         | -         | -         | - 1       | - 1          | - 1       |
| Cash flow from investing activities  | (668.0)             | (7,501.0)                | (914.0)                                 | (1,771.0)              | (290.0)    | 161.0             | (307.8)   | (302.7)   | (739.5)             | (336.3)   | (349.0)   | (345.4)   | (367.8)   | (1,398.6)    | (1,494.9) |
| Cash now from investing activities   | (000.0)             | (7,501.0)                | (914.0)                                 | (1,771.0)              | (290.0)    | 101.0             | (307.0)   | (302.7)   | (739.5)             | (330.3)   | (349.0)   | (343.4)   | (307.0)   | (1,390.0)    | (1,494.9) |
| Cash Flow from Financing Activities  |                     |                          |   |                        |            |                   |           |           |                     |           |           |           | - 1       |              |           |
|  | 26 371 0            |                          | 47 695 0                                | 54.070.0               | 15 902 0   | 14 887 0          |           |           | 30 789 0            | 350.0     | 350.0     | 350.0     | 050.0     | 1 400 0      | 4 400 0   |
| Borrowings<br>Repayment of borrowings  | (26,148.0)          | 33,352.0<br>(24.672.0)   | (49.067.0)                              | 54,073.0<br>(53,440.0) | (16,609.0) | (14,749.0)        | -         |           | (31,358.0)          | 350.0     | 350.0     | 350.0     | 350.0     | 1,400.0      | 1,400.0   |
| Repayment or borrowings Debt issuance costs                                      |                     |                          | (49,067.0)                              |                        | (16,609.0) | (14,749.0)        | -         | - 1       | (31,358.0)          | -         | -         | -         |           | -            |           |
| Excess income tax benefit from exercise of stock options                         | (30.0)              | (101.0)                  | - 1                                     | (74.0)                 | -          | -                 | -         |           | -                   | -         | -         | -         | - 1       | -            | - 1       |
| Proceeds from exercise of stock options  Proceeds from exercise of stock options | 288.0               | 161.0                    | 332.0                                   | 121.0                  | 33.0       | (18.0)            | 50.0      | 50.0      | 115.0               | 50.0      | 50.0      | 50.0      | 50.0      | 200.0        | 200.0     |
|  | (1,255.0)           | (453.0)                  | (112.0)                                 |                        | (77.0)     |                   | (1,000.0) | (1.500.0) |                     | (1.500.0) |           |           | (1,500.0) | (6.000.0)    | (6.000.0) |
| Treasury stock activity  | (421.0)             | (453.0)                  | (868.0)                                 | (2,114.0)<br>(961.0)   | (287.0)    | (301.0)           | (282.0)   |           | (2,878.0)           | (310.4)   | (1,500.0) | (1,500.0) | (289.3)   | (1,199.0)    | (1,309.0) |
| Dividends paid   |                     |                          |   |                        | (47.0)     |                   | (282.0)   | (276.2)   |                     | (310.4)   | (303.2)   | (290.2)   | (289.3)   | (1,199.0)    | (1,309.0) |
| Other financing activities, net Cash flow from financing activities              | (41.0)<br>(1.236.0) | (50.0)<br><b>7.581.0</b> | (731.0)<br>(2.751.0)                    | (143.0)<br>(2.538.0)   | (1.085.0)  | (49.0)<br>(517.0) | (1,232.0) | (1,726,2) | (96.0)<br>(4.560.3) | (1,410,4) | (1,403,2) | (1,396.2) | (1,389.3) | (5.599.0)    | (5,709.0) |
| Cash now from financing activities   | (1,236.0)           | 1,581.0                  | (2,/51.0)                               | (2,538.0)              | (1,085.0)  | (317.0)           | (1,232.0) | (1,726.2) | (4,560.3)           | (1,410.4) | (1,403.2) | (1,396.2) | (1,389.3) | (5,599.0)    | (5,709.0) |
| Effect of foreign currency exchange rate changes on cash                         | (51.0)              | 18.0                     | 42.0                                    | (248.0)                | (103.0)    | (289.0)           | _         |           | (392.0)             | -         | -         | -         | -         |              | - 1       |
| Net change in cash and equivalents   | 38.0                | 2,508.0                  | 819.0                                   | 253.0                  | (582.0)    | 379.0             | 665.0     | (470.5)   | (8.5)               | (570.8)   | 11.1      | 304.3     | 48.3      | (207.1)      | (2.3)     |
| Cash, End of Period  | 703.0               | 1,152.0                  | 1,959.0                                 | 2.010.0                | 1.547.0    | 1,688.0           | 2.353.0   | 1.882.5   | 1.882.5             | 1,311,7   | 1.322.8   | 1.627.2   | 1,675.5   | 1,675.5      | 1,673.1   |
| Casil, Lilu di Pelidu  | 703.0               | 1,132.0                  | 1,959.0                                 | 2,010.0                | 1,347.0    | 1,000.0           | 2,000.0   | 1,002.3   | 1,002.3             | 1,011.7   | 1,022.0   | 1,021.2   | 1,070.0   | 1,075.5      | 1,073.1   |



Exhibit 9: FIS Balance Sheet

| BALANCE SHEET (\$ in millions)            | 2018A     | 2019A    | 2020E    | 2021A     | 1Q22A     | 2Q22A     | 3Q22E     | 4Q22E     | 2022E     | 1Q23E     | 2Q23E     | 3Q23E     | 4Q23E      | 2023E      | 2024E      |
|---|-----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Cash and equivalents                      | 703.0     | 1.152.0  | 1,959.0  | 2.010.0   | 1,547.0   | 1,688.0   | 2.353.0   | 1.882.5   | 1.882.5   | 1.311.7   | 1.322.8   | 1.627.2   | 1.675.5    | 1.675.5    | 1.673.1    |
| Settlement deposits                       | 700.0     | 2,882.0  | 3,252.0  | 4,020.0   | 4,062.0   | 4,334.0   | 4,334.0   | 4,334.0   | 4,334.0   | 4,334.0   | 4,334.0   | 4,334.0   | 4,334.0    | 4,334.0    | 4,334.0    |
| Trade receivables, net                    | 1.472.0   | 3.242.0  | 3.314.0  | 3.772.0   | 3,655.0   | 3.520.0   | 3.548.4   | 3.833.3   | 3.833.3   | 3.994.5   | 3.756.9   | 3.845.2   | 4.231.6    | 4.231.6    | 4.588.7    |
| Settlement receivables                    | 281.0     | 647.0    | 662.0    |           | -         | -         | -         | -         | -         | -         | -         | -         |            |            | -          |
| Other receivables                         | 123.0     | 337.0    | 317.0    | 355.0     | 260.0     | 251.0     | 251.0     | 251.0     | 251.0     | 251.0     | 251.0     | 251.0     | 251.0      | 251.0      | 251.0      |
| Due from related parties                  | -         | 124.0    | 140.0    | -         | -         | -         | -         | -         | -         | -         | -         | -         | -          | -          | -          |
| Prepaid expenses and other current assets | 454.0     | 308.0    | 254.0    | 551.0     | 621.0     | 913.0     | 657.7     | 724.1     | 724.1     | 825.0     | 813.3     | 786.7     | 771.8      | 771.8      | 809.6      |
| Deferred income taxes                     | -         | -        | - 1      | -         | -         | -         | -         | -         | -         | -         | -         | -         | - 1        | - 1        | -          |
| Assets held for sale                      | -         | -        | -        | -         | -         | -         | -         | -         | -         | -         | -         | -         | -          | -          | -          |
| Total current assets                      | 3,733.0   | 8,692.0  | 9,898.0  | 10,708.0  | 10,145.0  | 10,706.0  | 11,144.1  | 11,025.0  | 11,025.0  | 10,716.2  | 10,478.1  | 10,844.0  | 11,263.9   | 11,263.9   | 11,656.4   |
| Property and equipment, net               | 587.0     | 900.0    | 887.0    | 949.0     | 901.0     | 881.0     | 806.2     | 748.3     | 748.3     | 720.0     | 693.7     | 670.6     | 649.0      | 649.0      | 591.9      |
| Goodwill                                  | 13,545.0  | 52,242.0 | 53,268.0 | 53,330.0  | 52,988.0  | 52,004.0  | 52,004.0  | 52,004.0  | 52,004.0  | 52,004.0  | 52,004.0  | 52,004.0  | 52,004.0   | 52,004.0   | 52,004.0   |
| Intangibles, net                          | 3,132.0   | 15,798.0 | 13,928.0 | 11,539.0  | 10,854.0  | 10,018.0  | 9,544.7   | 9,086.2   | 9,086.2   | 8,618.1   | 8,142.4   | 7,681.8   | 7,201.1    | 7,201.1    | 5,350.0    |
| Computer software, net                    | 1,795.0   | 3,204.0  | 3,370.0  | 3,299.0   | 3,235.0   | 3,176.0   | 3,085.3   | 2,987.4   | 2,987.4   | 2,884.0   | 2,783.7   | 2,691.4   | 2,600.2    | 2,600.2    | 2,301.0    |
| Deferred contract costs, net              | 475.0     | 667.0    | 917.0    | 969.0     | 943.0     | 959.0     | 913.1     | 879.7     | 879.7     | 1,002.2   | 988.0     | 955.6     | 937.5      | 937.5      | 983.4      |
| Other noncurrent assets                   | 503.0     | 2,303.0  | 1,574.0  | 2,137.0   | 2,132.0   | 1,876.0   | 1,876.0   | 1,876.0   | 1,876.0   | 1,876.0   | 1,876.0   | 1,876.0   | 1,876.0    | 1,876.0    | 1,876.0    |
| Total Assets                              | 23,770.0  | 83,806.0 | 83,842.0 | 82,931.0  | 81,198.0  | 79,620.0  | 79,373.4  | 78,606.5  | 78,606.5  | 77,820.5  | 76,965.8  | 76,723.4  | 76,531.6   | 76,531.6   | 74,762.8   |
| Accounts payable and accrued liabilities  | 1,099.0   | 2,374.0  | 2,482.0  | 2,864.0   | 2,690.0   | 2,856.0   | 2,781.1   | 2,905.6   | 2,905.6   | 2,869.8   | 2,978.3   | 2,946.9   | 3,138.6    | 3,138.6    | 3,331.9    |
| Due to Brazilian venture partner          | -         | -        | -        | -         | -         | -         | -         | -         | -         | -         | -         | -         | -          | -          | -          |
| Settlement payables                       | 972.0     | 4,228.0  | 4,934.0  | 5,295.0   | 5,228.0   | 5,154.0   | 5,516.4   | 5,455.8   | 5,455.8   | 5,594.8   | 5,374.7   | 5,845.2   | 5,893.5    | 5,893.5    | 6,256.5    |
| Current portion of long-term debt         | 48.0      | 140.0    | 1,314.0  | 1,617.0   | 2,330.0   | 3,148.0   | 3,148.0   | 3,148.0   | 3,148.0   | 3,148.0   | 3,148.0   | 3,148.0   | 3,148.0    | 3,148.0    | 3,148.0    |
| Deferred revenues                         | 739.0     | 817.0    | 881.0    | 779.0     | 847.0     | 728.0     | 728.0     | 728.0     | 728.0     | 728.0     | 728.0     | 728.0     | 728.0      | 728.0      | 728.0      |
| Short Term Borrowings                     | 267.0     | 2,823.0  | 2,750.0  | 3,911.0   | 2,682.0   | 3,642.0   | 3,642.0   | 3,642.0   | 3,642.0   | 3,642.0   | 3,642.0   | 3,642.0   | 3,642.0    | 3,642.0    | 3,642.0    |
| Liabilities held for sale                 | -         | -        |          |           |           | -         |           |           | -         | -         | -         | -         |            |            | -          |
| Total current liabilities                 | 3,125.0   | 10,382.0 | 12,361.0 | 14,466.0  | 13,777.0  | 15,528.0  | 15,815.5  | 15,879.4  | 15,879.4  | 15,982.7  | 15,871.0  | 16,310.0  | 16,550.1   | 16,550.1   | 17,106.4   |
| Deferred revenues                         | 67.0      | 52.0     | 59.0     |           | -         | -         | -         | -         | -         | -         | -         | -         |            | í          | -          |
| Deferred income taxes                     | 1,360.0   | 4,281.0  | 4,017.0  | 4,193.0   | 4,055.0   | 3,786.0   | 3,786.0   | 3,786.0   | 3,786.0   | 3,786.0   | 3,786.0   | 3,786.0   | 3,786.0    | 3,786.0    | 3,786.0    |
| Long-term debt, excluding current portion | 8,670.0   | 17,229.0 | 15,951.0 | 14,825.0  | 14,208.0  | 11,755.0  | 11,755.0  | 11,755.0  | 11,755.0  | 12,105.0  | 12,455.0  | 12,805.0  | 13,155.0   | 13,155.0   | 14,555.0   |
| Due to Brazilian venture partner          | -         |          |          |           |           | -         | -         |           | -         | -         | -         | -         |            |            | -          |
| Other long-term liabilities               | 326.0     | 2,406.0  | 1,967.0  | 1,915.0   | 1,948.0   | 1,861.0   | 1,861.0   | 1,861.0   | 1,861.0   | 1,861.0   | 1,861.0   | 1,861.0   | 1,861.0    | 1,861.0    | 1,861.0    |
| Total liabilities                         | 13,548.0  | 34,350.0 | 34,355.0 | 35,399.0  | 33,988.0  | 32,930.0  | 33,217.5  | 33,281.4  | 33,281.4  | 33,734.7  | 33,973.0  | 34,762.0  | 35,352.1   | 35,352.1   | 37,308.4   |
|   |           |          |          |           |           |           |           |           |           |           |           |           |            |            |            |
| Non-controlling interests                 | 7.0       | 16.0     | 187.0    | 185.0     | 184.0     | 184.0     | 184.0     | 184.0     | 184.0     | 184.0     | 184.0     | 184.0     | 184.0      | 184.0      | 184.0      |
|   |           |          |          |           |           |           |           |           |           | l         |           |           |            |            |            |
| Common Stock                              | 4.0       | 6.0      | 6.0      | 6.0       | 6.0       | 6.0       | 6.0       | 6.0       | 6.0       | 6.0       | 6.0       | 6.0       | 6.0        | 6.0        | 6.0        |
| Additional Paid-in Capital                | 10,800.0  | 45,358.0 | 45,947.0 | 46,466.0  | 46,536.0  | 46,634.0  | 46,834.0  | 47,040.7  | 47,040.7  | 47,206.2  | 47,376.1  | 47,544.7  | 47,721.0   | 47,721.0   | 48,434.3   |
| Retained Earnings                         | 4,528.0   | 4,161.0  | 3,440.0  | 2,889.0   | 2,721.0   | 2,709.0   | 2,974.9   | 3,437.4   | 3,437.4   | 3,532.6   | 3,769.8   | 4,069.7   | 4,611.5    | 4,611.5    | 6,173.1    |
| Accumulated other comprehensive loss      | (430.0)   | (33.0)   | 57.0     | 252.0     | 106.0     | (200.0)   | (200.0)   | (200.0)   | (200.0)   | (200.0)   | (200.0)   | (200.0)   | (200.0)    | (200.0)    | (200.0)    |
| Treasury stock                            | (4,687.0) | (52.0)   | (150.0)  | (2,266.0) | (2,343.0) | (2,643.0) | (3,643.0) | (5,143.0) | (5,143.0) | (6,643.0) | (8,143.0) | (9,643.0) | (11,143.0) | (11,143.0) | (17,143.0) |
| Total stockholders' equity                | 10,215.0  | 49,440.0 | 49,300.0 | 47,347.0  | 47,026.0  | 46,506.0  | 45,971.9  | 45,141.1  | 45,141.1  | 43,901.8  | 42,808.8  | 41,777.3  | 40,995.5   | 40,995.5   | 37,270.4   |
| Total Liabilities & Stockholders' Equity  | 23,770.0  | 83,806.0 | 83,842.0 | 82,931.0  | 81,198.0  | 79,620.0  | 79,373.4  | 78,606.5  | 78,606.5  | 77,820.5  | 76,965.8  | 76,723.4  | 76,531.6   | 76,531.6   | 74,762.8   |



# FISV Financial Model

Exhibit 10: FISV Income Statement

| INCOME STATEMENT (\$ in millions except per     |           |           |          |          |           |         |         |         |         |           |         |         |         |         |           |           |
|---|-----------|-----------|----------|----------|-----------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|-----------|
| share data)                                     | 2017A     | 2018A     | 2019A    | 2020A    | 2021A     | 1Q22A   | 2Q22A   | 3Q22E   | 4Q22E   | 2022E     | 1Q23E   | 2Q23E   | 3Q23E   | 4Q23E   | 2023E     | 2024E     |
| Adjusted Revenues                               | 13,333.1  | 13,902.0  | 14,445.0 | 13,908.0 | 15,393.0  | 3,906.0 | 4,234.0 | 4,271.9 | 4,329.4 | 16,741.2  | 4,145.8 | 4,496.5 | 4,527.7 | 4,621.2 | 17,791.2  | 18,955.9  |
| YoY % change                                    | 7.9%      | 4.3%      | 3.9%     | -3.7%    | 10.7%     | 9.8%    | 9.8%    | 7.8%    | 7.7%    | 8.8%      | 6.1%    | 6.2%    | 6.0%    | 6.7%    | 6.3%      | 6.5%      |
| Intercompany elimination                        | -         | 9.0       | 4.0      | -        | -         | -       | -       | -       | -       | -         | -       | -       | -       | -       | -         | -         |
| Output Solutions Postage Reimbursements         | -         | 1,016.0   | 978.0    | 864.0    | 860.0     | 239.0   | 222.0   | 222.0   | 222.0   | 905.0     | 226.3   | 226.3   | 226.3   | 226.3   | 905.0     | 905.0     |
| Deferred Revenue Purchase Accounting Adjustment | -         | (3.0)     | (18.0)   | (46.0)   | (27.0)    | (7.0)   | (6.0)   | (6.0)   | (6.0)   | (25.0)    | (6.3)   | (6.3)   | (6.3)   | (6.3)   | (25.0)    | (25.0)    |
| Merchant Services Adjustments                   | -         | 397.0     | 387.0    | 126.0    | -         | -       | -       | -       | -       | -         | -       | -       | -       | -       | -         | -         |
| GAAP Revenues                                   | 13,333.1  | 15,321.0  | 15,796.0 | 14,852.0 | 16,226.0  | 4,138.0 | 4,450.0 | 4,487.9 | 4,545.4 | 17,621.2  | 4,365.8 | 4,716.5 | 4,747.7 | 4,841.2 | 18,671.2  | 19,835.9  |
| YoY % change                                    | 7.9%      | 14.9%     | 3.1%     | -6.0%    | 9.3%      | 10.2%   | 9.8%    | 7.8%    | 6.8%    | 8.6%      | 5.5%    | 6.0%    | 5.8%    | 6.5%    | 6.0%      | 6.2%      |
| Cost of Revenues                                | 5,915.0   | 5,474.0   | 5,860.0  | 6,868.0  | 7,295.0   | 1,740.0 | 1,828.0 | 1,958.4 | 2,045.3 | 7,571.7   | 1,830.2 | 1,923.4 | 2,057.6 | 2,164.7 | 7,975.8   | 8,403.2   |
| YoY % change                                    | 8.7%      | -7.5%     | 7.1%     | 17.2%    | 6.2%      | 1.8%    | 3.2%    | 5.9%    | 4.1%    | 3.8%      | 5.2%    | 5.2%    | 5.1%    | 5.8%    | 5.3%      | 5.4%      |
| Operating Expenses                              | 3,661.0   | 4,203.0   | 4,061.0  | 2,618.0  | 2,886.0   | 918.0   | 989.0   | 778.8   | 634.3   | 3,320.1   | 964.0   | 1,039.1 | 814.1   | 665.5   | 3,482.7   | 3,672.7   |
| YoY % change                                    | 6.8%      | 14.8%     | -3.4%    | -35.5%   | 10.2%     | 25.4%   | 27.6%   | 3.0%    | 1.8%    | 15.0%     | 5.0%    | 5.1%    | 4.5%    | 4.9%    | 4.9%      | 5.5%      |
| Merchant Services Adjustment                    | -         | 232.0     | 230.0    | 59.0     | -         | -       | -       | -       | -       | -         | -       | -       | -       | -       | -         | -         |
| Net Cost Synergies                              | -         | -         | -        | -        | -         | -       | -       | -       | -       | -         | -       | -       | -       | -       | -         | -         |
| Operating Income (adjusted)                     | 3,757.1   | 3,993.0   | 4,294.0  | 4,363.0  | 5,212.0   | 1,248.0 | 1,417.0 | 1,534.7 | 1,649.7 | 5,849.4   | 1,351.6 | 1,534.1 | 1,656.0 | 1,791.0 | 6,332.6   | 6,880.0   |
| YoY% change                                     | 7.8%      | 6.3%      | 7.5%     | 1.6%     | 19.5%     | 11.8%   | 8.3%    | 13.2%   | 15.3%   | 12.2%     | 8.3%    | 8.3%    | 7.9%    | 8.6%    | 8.3%      | 8.6%      |
| Operating Margin                                | 28.2%     | 28.7%     | 29.7%    | 31.4%    | 33.9%     | 32.0%   | 33.5%   | 35.9%   | 38.1%   | 34.9%     | 32.6%   | 34.1%   | 36.6%   | 38.8%   | 35.6%     | 36.3%     |
| Depreciation and Amortization                   | 835.0     | 971.0     | 1.055.0  | 1 233 0  | 1 266 0   | 335.0   | 349.0   | 352 1   | 356.9   | 1 393 0   | 342.0   | 371.0   | 373.5   | 381.2   | 1 467 8   | 1.527.5   |
| YoY % change                                    | 6.2%      | 16.3%     | 8.7%     | 16.9%    | 2.7%      | 15.1%   | 7.4%    | 6.4%    | 11.9%   | 10.0%     | 2.1%    | 6.3%    | 6.1%    | 6.8%    | 5.4%      | 4.1%      |
| Adjusted EBITDA                                 | 4.592.1   | 4.964.0   | 5.349.0  | 5,596,0  | 6,478.0   | 1.583.0 | 1.766.0 | 1.886.8 | 2.006.6 | 7,242,4   | 1,693,6 | 1,905.1 | 2.029.6 | 2.172.2 | 7.800.4   | 8,407,5   |
| YoY % change                                    | 7.5%      | 8.1%      | 7.8%     | 4.6%     | 15.8%     | 12.5%   | 8.1%    | 11.8%   | 14.7%   | 11.8%     | 7.0%    | 7.9%    | 7.6%    | 8.3%    | 7.7%      | 7.8%      |
| Adj. EBITDA Margin                              | 34.4%     | 35.7%     | 37.0%    | 40.2%    | 42.1%     | 40.5%   | 41.7%   | 44.2%   | 46.3%   | 43.3%     | 40.9%   | 42.4%   | 44.8%   | 47.0%   | 43.8%     | 44.4%     |
| Total Other (income)/ Expense                   | (1.095.0) | (1.097.0) | (910.0)  | (641.0)  | (622.0)   | (172.0) | (242.0) | (164.0) | (166.4) | (744.4)   | (168.0) | (165.4) | (162.8) | (160.5) | (656.5)   | (635.1)   |
| Pretax Income                                   | 2.662.1   | 2.896.0   | 3,384.0  | 3,722.0  | 4,590.0   | 1.076.0 | 1,175.0 | 1,370.7 | 1.483.3 | 5,105.0   | 1,183.6 | 1.368.7 | 1,493.3 | 1,630.5 | 5.676.1   | 6.244.9   |
|   | _,        | _,        | -,       | -,       | .,        | .,      | .,      | .,      | .,      | -,        | .,      | .,      | .,      | .,      | -,        | -,        |
| Income tax provision                            | (625.6)   | (671.0)   | (794.0)  | (852.0)  | (1.040.0) | (192.0) | (265.0) | (298.1) | (322.6) | (1,077.7) | (248.6) | (301.1) | (328.5) | (358.7) | (1.236.9) | (1.360.8) |
| Equity earnings in affiliates, and gain on sale | 172.0     | 170.0     | 94.0     | 94.0     | 151.0     | 50.0    | 114.0   | 55.0    | 31.0    | 250.0     | 50.0    | 114.0   | 55.0    | 31.0    | 250.0     | 250.0     |
| Net income attributed to NCI                    | (199.0)   | 39.0      | 90.0     | 56.0     | (69.0)    | (13.0)  | (11.0)  | (12.8)  | (13.9)  | (50.7)    | (11.1)  | (12.8)  | (14.0)  | (15.3)  | (53.1)    | (58.5)    |
| Net Income (Adjusted)                           | 2,009.5   | 2,434.0   | 2,774.0  | 3,020.0  | 3,746.0   | 921.0   | 1,013.0 | 1,114.7 | 1,177.8 | 4,226.5   | 974.0   | 1,168.8 | 1,205.8 | 1,287.5 | 4,636.1   | 5,075.7   |
| YoY % change                                    | 19.9%     | 21.0%     | 14.1%    | 8.9%     | 24.0%     | 15.6%   | 10.0%   | 12.9%   | 13.1%   | 12.8%     | 5.8%    | 15.4%   | 8.2%    | 9.3%    | 9.7%      | 9.5%      |
| Diluted EPS (Adjusted)                          | \$2.81    | \$3,44    | \$4.00   | \$4,42   | \$5.58    | \$1,40  | \$1.56  | \$1.73  | \$1.84  | \$6.53    | \$1,53  | \$1.85  | \$1,91  | \$2.05  | \$7.35    | \$8.20    |
| YoY%change                                      | 19.9%     | 22.5%     | 16.2%    | 11.9%    | 26.3%     | 19.6%   | 13.7%   | 17.2%   | 17.4%   | 16.9%     | 9.2%    | 18.6%   | 10.8%   | 11.6%   | 12.5%     | 11.7%     |
| 101 110 110 110                                 |           | 22.010    |          |          | 20.0.0    | 10.010  | 10.1.70 |         |         | 10.070    | 0.2,1   | 10.070  |         |         |           |           |
| Average Diluted shares outstanding              | 715.7     | 707.8     | 694.1    | 683.4    | 671.6     | 656.8   | 650.8   | 645.3   | 639.8   | 648.2     | 636.2   | 633.0   | 629.9   | 626.8   | 631.5     | 619.1     |

Source: Company data, Morgan Stanley Research estimates

Exhibit 11: FISV Cash Flow Statement

| CASH FLOW STATEMENT (\$ in millions)  | 2017A             | 2018A             | 2019A      | 2020A      | 2021A     | 1Q22A     | 2Q22A          | 3Q22E     | 4Q22E   | 2022E             | 1Q23E   | 2Q23E    | 3Q23E    | 4Q23E    | 2023E     | 2024E     |
|---|-------------------|-------------------|------------|------------|-----------|-----------|----------------|-----------|---------|-------------------|---------|----------|----------|----------|-----------|-----------|
| Cash Flow from Operating Activities   |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |
| Net income  | 1.246.0           | 1.187.0           | 914.0      | 975.0      | 1.403.0   | 682.0     | 609.0          | 693.4     | 751.5   | 2.735.9           | 657.3   | 821.7    | 856.0    | 929.7    | 3.264.7   | 3.641.5   |
| Adjustment for discontinued operations  | (14.0)            | .,                |            |            | .,        |           |                | -         | -       | -,                | -       | -        | -        |          | -         |           |
| Adi to reconcile net cash provided by op activities:  | (,                |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |
| Depreciation and other amortization   | 274.0             | 393.0             | 615.0      | 1.077.0    | 1.158.0   | 324.0     | 318.0          | 352.1     | 356.9   | 1.351.0           | 342.0   | 371.0    | 373.5    | 381.2    | 1.467.8   | 1.527.5   |
| Amortization of acquisition-related intangible assets   | 159.0             | 163.0             | 1.163.0    | 2.180.0    | 2.090.0   | 486.0     | 502.0          | 506.5     | 513.3   | 2.007.8           | 493.0   | 534.7    | 538.4    | 549.5    | 2.115.6   | 2.201.7   |
| Share-based compensation  | 63.0              | 73.0              | 229.0      | 369.0      | 239.0     | 61.0      | 94.0           | 94.8      | 96.1    | 346.0             | 92.0    | 99.8     | 100.5    | 102.6    | 395.0     | 420.8     |
| Deferred income taxes   | (247.0)           | 133.0             | 47.0       | 71.0       | (262.0)   | (183.0)   | (134.0)        | -         | -       | (317.0)           | -       | -        | -        |          | -         |           |
| Loss on early debt extinguishment   | "                 | 14.0              | - 1        | - 1        | "         | (106.0)   | 106.0          | -         |         | 1                 | -       | -        | -        | -        | -         |           |
| Non-cash impairment charge  | 18.0              | 3.0               | 48.0       | 124.0      | 15.0      |           | -              | -         | -       | -                 | -       | -        | -        |          | -         | - 1       |
| Dividend from unconsolidated affiliate  | 13.0              | (8.0)             | (6.0)      | 42.0       | (66.0)    | 19.0      | 22.0           | -         | -       | 41.0              | -       | -        | -        |          | -         | - 1       |
| Settlement of interest rate hedge contracts   | -                 | - 1               | (183.0)    | -          | - 1       | -         | -              | -         | -       | -                 | -       | -        | -        |          | -         | - 1       |
| Gain on sale of businesses  | (10.0)            | (227.0)           | (15.0)     | (464.0)    | -         | (147.0)   | -              | -         | -       | (147.0)           | -       | -        | -        |          | -         | - 1       |
| Other non-cash items  | (4.0)             | (10.0)            | (53.0)     | (16.0)     | (48.0)    | 3.0       | (234.0)        | -         | -       | (231.0)           | -       | -        | -        | -        | -         | 1 - 1     |
| Changes in assets and liabilities, net of acquisitions:                                       | ' '               |                   | 1 1        | 1          |           |           |                |           |         | 1                 |         |          |          |          |           | 1         |
| Trade accounts receivable   | (75.0)            | (108.0)           | (7.0)      | 320.0      | (358.0)   | (60.0)    | (303.0)        | 135.1     | 186.7   | (41.2)            | (454.4) | (431.1)  | 264.0    | 171.2    | (450.3)   | (491.4)   |
| Prepaid expenses and other assets   | (55.0)            | (6.0)             | (82.0)     | (167.0)    | (248.0)   | (130.0)   | (248.0)        | (43.8)    | 2.1     | (419.7)           | (57.2)  | (111.6)  | (108.4)  | (13.3)   | (290.4)   | (318.7)   |
| Accounts payable and other liabilities  | 54.0              | (55.0)            | 125.0      | (364.0)    | 111.0     | (166.0)   | 277.0          | (85.5)    | (24.9)  | 0.6               | 71.2    | 230.3    | (269.7)  | (0.1)    | 31.7      | 181.2     |
| Deferred revenue  | 61.0              | -                 | -          | -          | -         | 32.0      | (19.0)         | -         |         | 13.0              | -       | -        | -        | -        | -         | -         |
| Cash Flow from operations   | 1,483.0           | 1,552.0           | 2,795.0    | 4,147.0    | 4,034.0   | 815.0     | 990.0          | 1,652.6   | 1,881.8 | 5,339.4           | 1,144.0 | 1,514.8  | 1,754.3  | 2,120.8  | 6,534.0   | 7,162.5   |
| 0.15.5.6.1  |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |
| Cash Flow from Investing Activities   |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           | ll        |
| Capital expenditures, including capitalization of soft  | (287.0)           | (360.0)           | (721.0)    | (900.0)    | (1,160.0) | (331.0)   | (387.0)        | (387.7)   | (393.0) | (1,498.7)         | (331.7) | (359.7)  | (362.2)  | (369.7)  | (1,423.3) | (1,421.7) |
| Payment for acquisition of business, net of cash ac<br>Dividend from unconsolidated affiliate | (384.0)           | (712.0)           | (15,954.0) | 440.0      | (848.0)   |           | (668.0)        | -         | -       | (668.0)           | -       | -        | -        | - 1      | -         |           |
|   |                   |                   | 113.0      | 109.0      | 115.0     | 61.0      | 17.0           | -         | -       | 78.0              | -       | -        | -        |          | -         | -         |
| Net proceeds from sale of investments<br>Advances to unconsolidated affiliate                 | 17.0              | 419.0             | (45.0)     | (1.0)      | (256.0)   | 175.0     | -              | -         | -       | 175.0             | -       | -        | -        |          | -         | -         |
|   |                   | (10.0)            | 50         | 11.0       | 519.0     | -         | (22.0)         | -         | -       | -                 | -       | -        | -        |          | -         | -         |
| Other investing activities  | (3.0)             | (663.0)           | (16.602.0) | (341.0)    |           | (5.0)     | (1.060.0)      | (387.7)   | (393.0) | (27.0)            | (331.7) | (359.7)  | (362.2)  | (369.7)  | (1.423.3) | (1.421.7) |
| Cash flow from investing activities   | (657.0)           | (663.0)           | (16,602.0) | (341.0)    | (1,630.0) | (100.0)   | (1,060.0)      | (387.7)   | (393.0) | (1,940.7)         | (331.7) | (359.7)  | (362.2)  | (369.7)  | (1,423.3) | (1,421.7) |
| Cash Flow from Financing Activities   |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |
| Proceeds from long-term debt  | 2 3 1 0 0         | 5.039.0           | 20 260 0   | 8 897 0    | 6 435 0   | 705.0     | 486.0          |           |         | 1 191 0           |         |          |          |          |           | 1         |
| Proceeds from long-term debt<br>Repayments of long-term debt                                  | (1.985.0)         | (4,005.0)         | (5.273.0)  | (10.918.0) | (7.881.0) | (1.086.0) | 486.0<br>345.0 | (725.0)   | (125.0) | (1,591.0)         | (300.0) | (300.0)  | (300.0)  | (387.0)  | (1.287.0) | (900.0)   |
| Issuance of common stock and treasury stock   | (1,985.0)<br>78.0 | (4,005.0)<br>75.0 | (5,273.0)  | (10,918.0) | (7,881.0) | (1,086.0) | 29.0           | (125.0)   | (125.0) | (1,591.0)<br>72.0 | (300.0) | (300.0)  | (300.0)  | (387.0)  | (1,287.0) | (900.0)   |
| Purchases of treasury stock   | (1.223.0)         | (1.946.0)         | (561.0)    | (1.826.0)  | (2.786.0) | (544.0)   | (534.0)        | (750.0)   | (500.0) | (2.328.0)         | (400.0) | (400.0)  | (400.0)  | (400.0)  | (1.600.0) | (1.600.0) |
| Other financing activities  | (1,223.0)         | (5.0)             | (391.0)    | (1,020.0)  | 3.331.0   | 205.0     | (403.0)        | (130.0)   | (300.0) | (198.0)           | (400.0) | (400.0)  | (400.0)  | (400.0)  | (1,000.0) | (1,000.0) |
| Cash flow from financing activities   | (820.0)           | (842.0)           | 14,191,0   | (3.836.0)  | (761.0)   | (677.0)   | (77.0)         | (1.475.0) | (625.0) | (2.854.0)         | (700.0) | (700.0)  | (700.0)  | (787.0)  | (2.887.0) | (2.500.0) |
| activities and activities   | ,320.07           | ,342.0)           | ,101.0     | (2,300.0)  | (.01.0)   | ,277.0)   | ,,,,,,         | (.,)      | (120.0) | (=,504.0)         | ()      | (. 30.0) | (. 30.0) | ()       | (2,501.0) | ,=,500.0/ |
| Net change in cash and equivalents  | 6.0               | 47.0              | 384.0      | (30.0)     | 1,643.0   | 38.0      | (147.0)        | (210.1)   | 863.8   | 544.7             | 112.3   | 455.1    | 692.1    | 964.1    | 2,223.7   | 3,240.8   |
|   |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |
| Net cash flows from discontinued operations   | 19.0              | 43.0              | 134.0      | 16.0       | (27.0)    | (10.0)    | (23.0)         | -         | -       | (33.0)            | -       | -        | -        | -        | -         | 1 - 1     |
| Beginning of period cash balance  | 300.0             | 325.0             | 415.0      | 893.0      | 906.0     | 835.0     | 863.0          | 883.0     | 672.9   | 835.0             | 1 536 7 | 1.649.0  | 2.104.1  | 2.796.2  | 1.536.7   | 3.760.3   |
| Restated Cash   | -                 | -                 | (40.0)     | 27.0       | (1.687.0) | -         | 190.0          |           | -       | 190.0             | -,200.7 | -,2 40.0 | _,       | -,. 50.2 | -,500.7   | -         |
| End of period cash balance  | 325.0             | 415.0             | 893.0      | 906.0      | 835.0     | 863.0     | 883.0          | 672.9     | 1,536.7 | 1,536.7           | 1,649.0 | 2,104.1  | 2,796.2  | 3,760.3  | 3,760.3   | 7,001.2   |
|   |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |
|   |                   |                   |            |            |           |           |                |           |         |                   |         |          |          |          |           |           |



#### Exhibit 12: FISV Balance Sheet

| BALANCE SHEET (\$ in millions)            | 2017A            | 2018A    | 2019A               | 2020A    | 2021A    | 1Q22A    | 2Q22A               | 3Q22E               | 4Q22E    | 2022E    | 1Q23E    | 2Q23E               | 3Q23E               | 4Q23E               | 2023E    | 202  |
|---|------------------|----------|---------------------|----------|----------|----------|---------------------|---------------------|----------|----------|----------|---------------------|---------------------|---------------------|----------|------|
| ASSETS                                    |                  |          |                     |          |          |          |                     |                     |          |          |          |                     |                     |                     |          |      |
| Cash and Cash Equivalents                 | 325.0            | 415.0    | 893.0               | 906.0    | 835.0    | 863.0    | 883.0               | 672.9               | 1,536.7  | 1,536.7  | 1,649.0  | 2,104.1             | 2,796.2             | 3,760.3             | 3,760.3  | 7,0  |
| Accounts Receivable—net                   | 997.0            | 1,049.0  | 2,782.0             | 2,482.0  | 2,860.0  | 2,911.0  | 3,194.0             | 3,058.9             | 2,872.2  | 2,872.2  | 3,326.6  | 3,757.7             | 3,493.6             | 3,322.5             | 3,322.5  | 3,8  |
| Deferred Income Taxes                     | -                | -        | -                   | -        | -        | -        | -                   | -                   | -        | -        | -        | -                   | -                   | -                   | -        | ı    |
| Prepaid Expenses and Other Current Assets | 653.0            | 760.0    | 1,503.0             | 1,310.0  | 1,523.0  | 1,429.0  | 1,525.0             | 1,568.8             | 1,566.7  | 1,566.7  | 1,623.9  | 1,735.5             | 1,843.9             | 1,857.1             | 1,857.1  | 2,   |
| Settlement Assets                         | -                | -        | 11,868.0            | 11,521.0 | 13,652.0 | 13,240.0 | 14,679.0            | 14,125.5            | 14,629.6 | 14,629.6 | 13,462.9 | 15,508.4            | 15,462.1            | 16,081.0            | 16,081.0 | 17,6 |
| otal Current Assets                       | 1,975.0          | 2,224.0  | 17,046.0            | 16,219.0 | 18,870.0 | 18,443.0 | 20,281.0            | 19,426.0            | 20,605.1 | 20,605.1 | 20,062.4 | 23,105.7            | 23,595.8            | 25,020.9            | 25,020.9 | 30,6 |
| Property and Equipment                    | 390.0            | 398.0    | 1.606.0             | 1.628.0  | 1 742 0  | 1.729.0  | 1.804.0             | 1.839.6             | 1.875.7  | 1.875.7  | 1 865 4  | 1 854 1             | 1.842.8             | 1.831.3             | 1.831.3  | 1.7  |
| Intangibles, Net                          | 1.882.0          | 2.143.0  | 17.642.0            | 15.358.0 | 14.009.0 | 13.442.0 | 13 016 0            | 12.509.5            | 11.996.2 | 11.996.2 | 11.503.4 | 10 968 5            | 10.430.1            | 9.880.6             | 9.880.6  | 7    |
| Intangibles, Net<br>Goodwill Net          |                  |          |                     | 36 322 0 | 36 433 0 |          | 36 829 0            | 36 829 0            | 36 829 0 |          | 36 829 0 | 36 829 0            | 36 829 0            |                     |          |      |
|   | 5,590.0<br>452.0 | 5,702.0  | 36,038.0<br>5,207.0 |          |          | 36,538.0 | 36,829.0<br>5 282 0 | 36,829.0<br>5 282 0 | 5 282 0  | 36,829.0 |          | 36,829.0<br>5 282 0 | 36,829.0<br>5 282 0 | 36,829.0<br>5,282.0 | 36,829.0 | 36,  |
| Other Long-Term Assets                    |                  | 795.0    |                     | 5,092.0  | 5,195.0  | 5,318.0  |                     |                     |          | 5,282.0  | 5,282.0  |                     |                     |                     | 5,282.0  | 5,   |
| otal Assets                               | 10,289.0         | 11,262.0 | 77,539.0            | 74,619.0 | 76,249.0 | 75,470.0 | 77,212.0            | 75,886.2            | 76,588.1 | 76,588.1 | 75,542.0 | 78,039.3            | 77,979.7            | 78,843.8            | 78,843.8 | 82,  |
|   |                  |          |                     |          |          |          |                     |                     |          |          |          |                     |                     |                     |          |      |
| LABILITIES                                |                  |          |                     |          |          |          |                     |                     |          |          |          |                     |                     |                     |          | 1    |
| Accounts Payable and Accrued Expenses     | 1,383.0          | 1,626.0  | 3,080.0             | 3,186.0  | 3,550.0  | 3,327.0  | 3,472.0             | 3,386.5             | 3,361.6  | 3,361.6  | 3,432.9  | 3,663.1             | 3,393.4             | 3,393.3             | 3,393.3  | 3,   |
| Current Maturities of Long-Term Debt      | 3.0              | 4.0      | 287.0               | 384.0    | 508.0    | 552.0    | 600.0               | 600.0               | 600.0    | 600.0    | 600.0    | 600.0               | 600.0               | 600.0               | 600.0    |      |
| Deferred Revenue                          | 552.0            | -        | -                   | -        | -        | -        | -                   | -                   | -        | -        | -        | -                   | -                   | -                   | -        |      |
| Liabilities Of Discontinued Operations    | -                | 380.0    | 492.0               | 546.0    | 585.0    | 611.0    | 600.0               | 600.0               | 600.0    | 600.0    | 600.0    | 600.0               | 600.0               | 600.0               | 600.0    |      |
| Settlement Obligations                    | -                | -        | 11,868.0            | 11,521.0 | 13,652.0 | 13,240.0 | 14,679.0            | 14,125.5            | 14,629.6 | 14,629.6 | 13,462.9 | 15,508.4            | 15,462.1            | 16,081.0            | 16,081.0 | 17,  |
| otal Current Liabilities                  | 1,938.0          | 2,010.0  | 15,727.0            | 15,637.0 | 18,295.0 | 17,730.0 | 19,351.0            | 18,712.0            | 19,191.2 | 19,191.2 | 18,095.8 | 20,371.6            | 20,055.5            | 20,674.3            | 20,674.3 | 22   |
| Long-Term Debt                            | 4.897.0          | 5.955.0  | 21.612.0            | 20.300.0 | 20.729.0 | 20.518.0 | 20.915.0            | 20.190.0            | 20.065.0 | 20.065.0 | 19 765 0 | 19 465 0            | 19.165.0            | 18 778 0            | 18,778.0 | 17.  |
| Deferred Income Taxes                     | 552.0            | 745.0    | 4.247.0             | 4.389.0  | 4.172.0  | 3.983.0  | 3.797.0             | 3.797.0             | 3.797.0  | 3,797.0  | 3,797.0  | 3.797.0             | 3,797.0             | 3,797.0             | 3.797.0  | 3    |
| Other Long-Term Liabilities               | 171.0            | 259.0    | 1,096.0             | 964.0    | 1.103.0  | 1.097.0  | 1 179 0             | 1 179 0             | 1,179.0  | 1,179.0  | 1 179 0  | 1.179.0             | 1,179.0             | 1 179 0             | 1 179 0  | 1    |
| otal Liabilities                          | 7.558.0          | 8,969.0  | 42.682.0            | 41,290,0 | 44,299.0 | 43.328.0 | 45.242.0            | 43.878.0            | 44 232 2 | 44,232.2 | 42 836.8 | 44.812.6            | 44,196,5            | 44,428.3            | 44.428.3 |      |
| otal Liabilities                          | 7,558.0          | 8,969.0  | 42,682.0            | 41,290.0 | 44,299.0 | 43,328.0 | 45,242.0            | 43,878.0            | 44,232.2 | 44,232.2 | 42,836.8 | 44,812.6            | 44,196.5            | 44,428.3            | 44,428.3 | 45,  |
| otal shareholders' equity                 | 2.731.0          | 2.293.0  | 32,979.0            | 32,330.0 | 30.952.0 | 31,272.0 | 31,109,0            | 31,147,2            | 31,494,9 | 31,494,9 | 31.844.2 | 32.365.8            | 32,922,3            | 33,554,5            | 33.554.5 | 36.  |
| Noncontrolling interests                  | -                | -        | 1.878.0             | 999.0    | 998.0    | 870.0    | 861.0               | 861.0               | 861.0    | 861.0    | 861.0    | 861.0               | 861.0               | 861.0               | 861.0    | т    |
|   |                  |          |                     |          |          |          |                     |                     |          |          |          |                     |                     |                     |          |      |



# GPN Financial Model

Exhibit 13: GPN Income Statement

| INCOME STATEMENT (\$ in millions except per share  |                  |                  |                  |                  |                  |                |                |                |                |                  |                |                |                |                |                  | 1            |
|--|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|------------------|--------------|
| data)  | 2017A            | 2018A            | 2019A            | 2020A            | 2021E            | 1Q22E          | 2Q22E          | 3Q22E          | 4Q22E          | 2022E            | 1Q23E          | 2Q23E          | 3Q23E          | 4Q23E          | 2023E            | 2024         |
| · ·  |                  |                  |                  |                  |                  |                |                |                |                |                  |                |                |                |                |                  |              |
| GAAP Revenues                                      | 3959.2           | 3366.4           | 4911.9           | 7423.6           | 8523.7           | 2156.3         | 2280.9         | 2165.2         | 2133.4         | 8735.8           | 2126.6         | 2226.8         | 2324.0         | 2324.0         | 9001.4           | 979          |
| YoY % change                                       | 17.4%            | -15.0%           | 45.9%            | 51.1%            | 14.8%            | 8.4%           | 6.7%           | -1.7%          | -2.8%          | 2.5%             | -1.4%          | -2.4%          | 7.3%           | 8.9%           | 3.0%             | 8.           |
| Net Revenues (ex-Network Fees)                     | 3511.2           | 3097.3           | 4587.6           | 6747.3           | 7737.7           | 1952.6         | 2058.5         | 1959.0         | 1924.3         | 7894.3           | 1914.2         | 2015.4         | 2099.3         | 2089.9         | 8118.7           | 884          |
| YoY % change                                       | NA               | -11.8%           | 48.1%            | 47.1%            | 14.7%            | 7.7%           | 6.1%           | -2.1%          | -3.0%          | 2.0%             | -2.0%          | -2.1%          | 7.2%           | 8.6%           | 2.8%             | 8.           |
| Net Revenues Plus Network Fees                     | 3.472.5          | 3.969.4          | 5.637.6          | 8.022.4          | 9.410.3          | 2.372.0        | 2.487.1        | 2.405.8        | 2.370.4        | 9.635.4          | 2.362.9        | 2,474,2        | 2.582.2        | 2.582.2        | 10.001.5         | 10.887       |
| YoY % change                                       | 22.1%            | 14.3%            | 42.0%            | 42.3%            | 17.3%            | 6.1%           | 6.3%           | -1.0%          | -1.4%          | 2.4%             | -0.4%          | -0.5%          | 7.3%           | 8.9%           | 3.8%             | 8.           |
|  |                  |                  |                  |                  |                  |                |                |                |                |                  |                |                |                |                |                  |              |
| Cost of services                                   | 1,806.0          | 1,082.5          | 2,034.6          | 3,625.3          | 3,773.7          | 957.2          | 962.3          | 913.6          | 927.5          | 3,760.5          | 932.6          | 936.1          | 972.7          | 1,001.1        | 3,842.5          | 4,176        |
| as a % of total revenues plus network fees<br>SG&A | 52.0%<br>1.043.4 | 27.3%<br>1,476.7 | 36.1%<br>1.830.4 | 45.2%<br>2.534.3 | 40.1%<br>2.993.9 | 40.4%<br>767.8 | 38.7%<br>792.9 | 38.0%<br>740.7 | 39.1%<br>715.4 | 39.0%<br>3.016.8 | 39.5%<br>731.8 | 37.8%<br>736.8 | 37.7%<br>768.2 | 38.8%<br>749.9 | 38.4%<br>2.986.6 | 38.<br>3.076 |
| as a % of total revenues plus network fees         | 30.0%            | 37.2%            | 32.5%            | 31.6%            | 31.8%            | 32.4%          | 31.9%          | 30.8%          | 30.2%          | 31.3%            | 31.0%          | 29.8%          | 29.7%          | 29.0%          | 29.9%            |              |
| as a 70 or total revenues plas retwork rees        | 00.070           | 07.270           | 02.070           |                  |                  |                |                | 00.070         |                |                  |                |                |                |                |                  |              |
| Operating income (SBC burdened)                    | 623.1            | 807.1            | 1,046.9          | 1,264.0          | 1,756.1          | 431.2          | 525.7          | 511.0          | 490.5          | 1,958.5          | 462.2          | 553.8          | 583.1          | 573.1          | 2,172.3          | 2,545        |
| YoY % change                                       | 19.5%            | 29.5%<br>20.3%   | 29.7%            | 20.7%            | 38.9%            | 17.5%          | 19.3%          | 8.2%           | 3.0%           | 11.5%<br>20.3%   | 7.2%           | 5.3%           | 14.1%          | 16.8%          | 10.9%            | 17.          |
| Operating margin                                   | 17.9%            | 20.3%            | 18.6%            | 15.8%            | 18.7%            | 18.2%          | 21.1%          | 21.2%          | 20.7%          | 20.3%            | 19.6%          | 22.4%          | 22.6%          | 22.2%          | 21.7%            | 23.4         |
| Operating income (GPN method)                      | 1.051.3          | 1.256.4          | 1.821.3          | 2.681.3          | 3,234,5          | 802.5          | 902.4          | 883.5          | 862.2          | 3.450.6          | 832.2          | 926.0          | 957.2          | 946.9          | 3,662.5          | 4.05         |
| YoY % change                                       | NA               | 19.5%            | 45.0%            | 47.2%            | 20.6%            | 9.2%           | 11.4%          | 3.3%           | 3.4%           | 6.7%             | 3.7%           | 2.6%           | 8.3%           | 9.8%           | 6.1%             | 10.          |
| Operating margin                                   | 30.3%            | 31.7%            | 32.3%            | 33.4%            | 34.4%            | 33.8%          | 36.3%          | 36.7%          | 36.4%          | 35.8%            | 35.2%          | 37.4%          | 37.1%          | 36.7%          | 36.6%            | 37.          |
| Interest expense (net)                             | (166.2)          | (184.5)          | (239.2)          | (300.0)          | (314,3)          | (91.6)         | (96.2)         | (88.5)         | (87.3)         | (363.6)          | (85.8)         | (83.5)         | (81.7)         | (80.6)         | (331.6)          | (309         |
|  | , ,              | ,                | /                | , ,              | , ,              |                | ,              | ,              |                | ,,,,,,           | ,              | ,              | . ,            | ,              | , ,              | ,,,,,,       |
| Pretax income                                      | 457.0            | 622.6            | 807.7            | 964.0            | 1,441.8          | 339.7          | 429.5          | 422.5          | 403.1          | 1,594.8          | 376.4          | 470.3          | 501.4          | 492.4          | 1,840.6          | 2,235        |
| as a % of total revenues plus network fees         | 13.2%            | 15.7%            | 14.3%            | 12.0%            | 15.3%            | 14.3%          | 17.3%          | 17.6%          | 17.0%          | 16.6%            | 15.9%          | 19.0%          | 19.4%          | 19.1%          | 18.4%            | 20.          |
| Income tax expense/(benefit)                       | 103.8            | 88.9             | 66.4             | 112.9            | 231.0            | 62.4           | (36.2)         | 76.0           | 72.6           | 174.8            | 73.4           | 91.7           | 97.8           | 96.0           | 358.9            | 424          |
| Tax rate   | 22.7%            | 14.3%            | 8.2%             | 11.7%            | 16.0%            | 18.4%          | -8.4%          | 18.0%          | 18.0%          | 11.0%            | 19.5%          | 19.5%          | 19.5%          | 19.5%          | 19.5%            | 19.0         |
|  | (25.6)           | (32.6)           | (25.1)           | 67.7             | 89.9             | 12.6           | 5.9            | 22.6           | 94             | 50.4             | 12.6           | 5.9            | 22.6           | 9.4            | 50.4             | 52           |
| Minority interest                                  | (25.6)           | (32.6)           | (25.1)           | 67.7             | 89.9             | 12.6           | 5.9            | 22.6           | 9.4            | 50.4             | 12.6           | 5.9            | 22.6           | 9.4            | 50.4             | 52           |
| Net income before items                            | 327.5            | 501.0            | 716.2            | 918.7            | 1,300.8          | 289.9          | 471.5          | 369.1          | 339.9          | 1,470,4          | 315.6          | 384.5          | 426.3          | 405.8          | 1.532.1          | 1.863        |
| YoY % change                                       | 15.9%            | 53.0%            | 42.9%            | 28.3%            | 41.6%            | 4.0%           | 45.0%          | 3.2%           | 0.2%           | 13.0%            | 8.9%           | -18.5%         | 15.5%          | 19.4%          | 4.2%             | 21.          |
| Diluted GAAP EPS (ex-one timers)                   | \$2.75           | \$2.84           | \$2.35           | \$1.95           | \$3.94           | \$0.87         | (\$2,42)       | \$1.50         | \$1,41         | \$1.32           | \$1.32         | \$1.59         | \$1.75         | \$1.68         | \$6.34           | \$7.         |
| YoY % change                                       | 99.9%            | 3.4%             | -17.2%           | -17.3%           | 102.5%           | 31.0%          | -371.8%        | 22.5%          | 19.5%          | -66.5%           | 52.9%          | -165.5%        | 16.8%          | 19.6%          | 379.5%           | 21.          |
| Diluted Cash EPS (Company method)                  | \$3.70           | \$5.19           | \$6.23           | \$6.40           | \$8.16           | \$2.07         | \$2.36         | \$2.50         | \$2.41         | \$9.35           | \$2.41         | \$2.69         | \$2.86         | \$2.80         | \$10.76          | \$12.        |
| YoY % change                                       | 15.9%            | 40.3%            | 20.1%            | 2.7%             | 27.6%            | 13.8%          | 16.1%          | 14.7%          | 13.3%          | 14.5%            | 16.5%          | 13.6%          | 14.5%          | 15.9%          | 15.1%            | 14.          |
|  |                  |                  |                  |                  |                  |                |                |                |                |                  |                |                |                |                |                  |              |
| Diluted Cash EPS (MS method)                       | \$3.51           | \$4.88           | \$5.80           | \$5.95           | \$7.65           | \$1.96         | \$2.18         | \$2.37         | \$2.28         | \$8.79           | \$2.29         | \$2.55         | \$2.72         | \$2.66         | \$10.22          | \$11.        |
| YoY % change                                       | 16.4%<br>155.5   | 39.0%<br>159.3   | 18.8%<br>198.8   | 2.7%<br>300.5    | 28.4%<br>293.7   | 14.8%<br>282.6 | 13.6%<br>278.2 | 18.9%<br>274.8 | 12.4%<br>272.2 | 14.9%<br>276.9   | 16.7%<br>270.2 | 17.1%<br>268.9 | 15.1%<br>267.6 | 16.5%<br>266.3 | 16.3%<br>268.2   | 14.<br>263   |
| Wtd. Avg. Diluted Shares                           | 155.5            | 159.3            | 198.8            | 300.5            | 293.7            | 282.6          | 2/8.2          | 2/4.8          | 2/2.2          | 276.9            | 270.2          | 268.9          | 267.6          | 266.3          | ∠68.2            | 263          |

Source: Company data, Morgan Stanley Research estimates

Exhibit 14: GPN Cash Flow Statement

| CASH FLOW STATEMENT (\$ in millions) Cash Flow from Operations                       | 2017A    | 2018A   | 2019A   | 2020A   | 2021E   | 1Q22E    | 2Q22E   | 3Q22E  | 4Q22E | 2022E     | 1Q23E   | 2Q23E  | 3Q23E     | 4Q23E | 2023E   | 2024E   |
|--|----------|---------|---------|---------|---------|----------|---------|--------|-------|-----------|---------|--------|-----------|-------|---------|---------|
| Net income   | 494      | 485     | 469     | 605     | 988     | 250      | (665)   | 389    | 373   | 347       | 345     | 420    | 445       | 438   | 1.649   | 1.980   |
| Non-Cash Items   | 494      | 485     | 469     | 605     | 988     | 200      | (660)   | 389    | 3/3   | 34/       | 345     | 420    | 445       | 438   | 1,649   | 1,980   |
| Depreciation & Amortization  | 113      | 145     | 211     | 358     | 396     | 100      | 100     | 104    | 109   | 413       | 105     | 105    | 109       | 115   | 433     | 455     |
| Amortization of Acquired Intangibles   | 338      | 378     | 667     | 1.257   | 1.295   | 329      | 327     | 328    | 328   | 1.312     | 328     | 328    | 328       | 328   | 1.311   | 1.311   |
| Share-based compensation expense   | 39       | 58      | 90      | 1,237   | 1,295   | 38       | 47      | 45     | 44    | 1,312     | 42      | 44     | 320<br>46 | 46    | 179     | 1,311   |
| Snare-based compensation expense   | 39<br>48 |         | 100     | 149     | 181     | 38<br>29 | 29      | 45     | 44    | 1/4<br>58 | 42      | 44     | 46        | 46    | 1/9     | 195     |
| Provision for Operating Losses & Bad Debts   |          | 43      |         |         |         |          |         |        |       |           | -       | -      | -         | -     | -       | -       |
| Deferred Income Taxes  | (251)    | (1)     | (108)   | (166)   | (189)   | (81)     | (99)    | 100    | (100) | (180)     | -       | -      | -         | -     | -       | -       |
| Other, net   | 89       | 44      | 118     | 75      | 188     | 42       | 40      | -      | -     | 82        | -       | -      | -         | -     |         | -       |
| Estimated loss on disposal of discontinued operations                                | -        | -       | -       | -       | -       | -        | 152     | -      | -     | 152       | -       | -      | -         | -     | -       | -       |
| Impairment of goodwill and identified intangible assets                              | -        | -       | -       | -       | -       | -        | 833     | -      | -     | 833       | -       | -      | -         | -     |         | -       |
| Disposition of Fixed Assets  | -        | -       | - 1     | -       | -       | -        | -       | -      | -     | -         | -       | -      | -         | -     | -       | -       |
| Minority Interest in Earnings  | -        | -       | -       | -       | -       | -        | -       | -      | -     | -         | -       | -      | -         | -     | -       | -       |
| Change in Accounting   | -        | -       | -       | -       | -       | -        | -       | -      | -     | -         | -       | -      | -         | -     | -       | -       |
| Changes in Operating Assets & Liabilities  |          |         |         |         |         |          |         |        |       |           |         |        |           |       |         |         |
| Change in Accounts Receivable.net  | (14)     | (33)    | (116)   | 56      | (166)   | (34)     | (46)    | 88     | (32)  | (24)      | 12      | (43)   | (3)       | (49)  | (83)    | (90)    |
| Change In Claims Receivable  | (83)     |         | `- '    | -       | `- '    |          |         |        | /     | - 1       |         | - "    | - ' '     | 1     |         |         |
| Change in Settlement processing.net  | (362)    | 83      | 214     | 126     | 129     | 48       | 21      | (8)    | (4)   | 58        | (542)   | (14)   | (14)      | (0)   | (570)   | (29)    |
| Change in Inventory  |          | -       | - 1     | - 1     | - 1     |          | _       |        | - ' ' |           | - '     | '      | - '       | - ' ' |         | : '     |
| Change in Prepaid Expenses & Other Assets  | (46)     | (161)   | (159)   | (271)   | (264)   | (116)    | (76)    | -      | - 1   | (192)     | -       | -      | -         | - 1   |         |         |
| Change in Accounts Payable & Accrued Liabilities                                     | 146      | 66      | (95)    | (0)     | 133     | 25       | (96)    | (118)  | 34    | (156)     | (721)   | 6      | 60        | 47    | (609)   | 143     |
| Change In Income Taxes Payable   | 0        | -       | (00)    | (0)     | .00     | -        | (00)    | (110)  |       | (,        | (12.1)  |        | -         | -"    | (000)   |         |
| Change in Payables to Money Transfer Beneficiaries                                   |          | -       |         |         | - 1     | -        | -       | -      | - 1   | - 1       | -       | -      | -         | - 1   |         |         |
| Net Cash Provided by Operating Activities  | 512      | 1,106   | 1,391   | 2.314   | 2.781   | 630      | 568     | 926    | 753   | 2.877     | (432)   | 846    | 972       | 925   | 2.311   | 3.965   |
| net destricted by operating retricted  | 0.2      | 1,100   | 1,001   | 2,014   | 2,101   |          | 000     | OLO    | 700   | 2,011     | (402)   | 040    | 0.2       | 020   | 2,011   | 0,000   |
| Cash Flow from Investing   |          |         |         |         |         |          |         |        |       |           |         |        |           |       |         |         |
| Business Acquisitions, net of acquired cash  | (563)    | (1,260) | (645)   | (161)   | (1.811) | (5)      | (5)     |        |       | (10)      |         |        |           |       |         |         |
| Capital Expenditures   | (182)    | (213)   | (308)   | (436)   | (493)   | (156)    | (168)   | (162)  | (160) | (647)     | (154)   | (161)  | (168)     | (168) | (650)   | (708)   |
| Net decrease in financing receivables  | (102)    | (213)   | (300)   | (430)   | (493)   | (136)    | (100)   | (102)  | (100) | (047)     | (134)   | (101)  | (100)     | (100) | (000)   | (/00)   |
| Preliminary settlement of working capital adjustments                                | - 1      | -       | - 1     | - 1     | - 1     | -        | -       | -      | - 1   | - 1       | -       | -      | -         | -     | -       | - :     |
| Disposition of business, net of cash   | - 1      | -       | - 1     | 119     | - 1     | -        | (30)    | -      | -     | (30)      | -       | -      | -         | -     |         |         |
|  | - 9      | - (0)   | 35      | 39      | 11      | - 0      |         | -      | -     | (30)      | -       | -      | -         | -     |         | •       |
| Proceeds from sale of investment and contractual right<br>Net Cash used in Investing | (736)    | (1,476) | (917)   | (438)   | (2.294) | (161)    | (203)   | (162)  | (160) | (686)     | (154)   | (161)  | (168)     | (168) | (650)   | (708)   |
| Net Cash used in investing   | (736)    | (1,4/6) | (917)   | (438)   | (2,294) | (161)    | (203)   | (162)  | (160) | (686)     | (154)   | (161)  | (168)     | (168) | (650)   | (708)   |
|  |          |         |         |         |         |          |         |        |       |           |         |        |           |       |         |         |
| Cash Flow From Financing   |          |         |         |         |         |          |         |        |       |           |         |        |           |       |         |         |
| Net (Payments) Proceeds on Line of Credit  | 222      | 71      | (236)   | (133)   | 150     | 16       | (12)    | -      | -     | 4         | -       | -      | -         | -     | -       | -       |
| Proceeds from issuance of long-term debt   | 1,994    | 2,774   | 7,204   | 2,401   | 7,058   | 1,529    | 1,425   |        |       | 2,954     | -       | -      | -         |       |         |         |
| Principal payments under long-term debt  | (1,782)  | (2,304) | (6,485) | (2,342) | (4,827) | (1,176)  | (1,100) | (100)  | (100) | (2,476)   | (200)   | (158)  | (100)     | (100) | (558)   | (400)   |
| Payment of debt issuance cost  | (10)     | (16)    | (44)    | (8)     | (21)    | (2)      | -       | -      | -     | (2)       | -       | -      | -         | -     | -       | -       |
| Acquisition of redeemable noncontrolling interest                                    | -        | -       | -       | -       | -       | -        | -       | -      | -     | -         | -       | -      | -         | -     | -       | -       |
| Proceeds from Stock Issued Under Employee Stock P                                    | 10       | 14      | 25      | 66      | 50      | 8        | 16      | -      | -     | 24        | -       | -      | -         | -     | -       | -       |
| Common stock repurchased - share-based compensal                                     | (32)     | (32)    | (63)    | (61)    | (91)    | (26)     | (1)     | -      | -     | (27)      | -       | -      | -         | -     |         |         |
| Repurchase of common stock   | (35)     | (208)   | (311)   | (631)   | (2.534) | (650)    | (600)   | (400)  | (400) | (2.050)   | (200)   | (200)  | (200)     | (200) | (800)   | (800)   |
| Tax benefit from employee share-based compensation                                   | 1 2 7    | - 1     | - 1     | - 1     |         |          |         |        |       | . , ,     |         |        |           | - "   |         |         |
| Distribution to Minority Interests   | -        | -       | (32)    | (26)    |         | -        | -       | -      |       | -         | -       | -      | -         | -     |         |         |
| Dividends Paid   | (7)      | (6)     | (87)    | (233)   | (260)   | (70)     | (69)    | (69)   | (68)  | (276)     | (68)    | (67)   | (67)      | (67)  | (268)   | (263)   |
| Contribution from noncontrolling interest holder                                     | (9)      | (6)     | (0.)    | ,200)   | 70      | (6)      | (9)     | - (00) | (00)  | (14)      | - (00)  | - (01) | - (01)    | (0,)  | (200)   | (200)   |
| Principal Payments Under Capital Leases  | (0)      | (0)     |         |         | ."      | (3)      | (0)     | _      |       | ()        | _       | _      | _         | _     |         |         |
| Net Borrowings on Line of Credit   |          |         | 1 - 1   |         | - 1     | -        |         |        | - 1   | - 1       | -       | -      |           | - 1   |         |         |
| Other  |          |         | [       | (578)   | : 1     | - 1      | (16)    |        | - 1   | (16)      | - 1     | - 1    | - 1       | - 1   |         |         |
| Net Cash used for Financing  | 352      | 287     | (29)    | (1,546) | (405)   | (376)    | (366)   | (569)  | (568) | (1.879)   | (468)   | (426)  | (367)     | (367) | (1.627) | (1.463) |
| Net Cash used for Financing  | 332      | 201     | (23)    | (1,540) | (403)   | (370)    | (300)   | (303)  | (300) | (1,073)   | (400)   | (420)  | (307)     | (301) | (1,027) | (1,400) |
| Effect of Exchange Rate Changes On Cash  | 44       | (42)    | 22      | (62)    | (48)    | (27)     | (111)   | -      | -     | (138)     | -       | -      | -         | -     | -       | -       |
| Change in Cash and Equivalents   | 173      | (125)   | 467     | 268     | 33      | 66       | (112)   | 195    | 25    | 174       | (1,053) | 260    | 437       | 390   | 34      | 1,794   |
|  | 1.336    | 1,211   | 1.678   | 1,946   | 1.979   | 2.045    | 1.933   | 2.128  | 2.153 | 2.153     | 1.100   | 1.360  | 1.797     | 2.187 | 2.187   | 3.981   |
| Cash, End of Period  |          |         |         |         |         |          |         |        |       |           |         |        |           |       |         |         |



#### Exhibit 15: GPN Balance Sheet

| BALANCE SHEET (\$ in millions)                             |                |                |                 |                 |                 |                 |                 |                 |                 |                |                 |                 |                 |                 |        |               |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|--------|---------------|
|  | 2017A          | 2018A          | 2019A           | 2020A           | 2021E           | 1Q22E           | 2Q22E           | 3Q22E           | 4Q22E           | 2022E          | 1Q23E           | 2Q23E           | 3Q23E           | 4Q23E           | 2023E  | 2024          |
| Cash & Equivalents   | 1,336          | 1,211          | 1,678           | 1,946           | 1,979           | 2,045           | 1,933           | 2,128           | 2,153           | 2,153          | 1,100           | 1,360           | 1,797           | 2,187           | 2,187  | 3,98          |
| Accounts receivable, net of allowance for doubtful account | 302            | 348            | 895             | 794             | 946             | 973             | 989             | 901             | 933             | 933            | 921             | 964             | 967             | 1,016           | 1,016  | 1,10          |
| Claims receivable, net of allowance for losses             |                | -              | - 1             | -               | -               | -               | -               | -               |                 | -              | -               | -               | -               | -               | - 1    | -             |
| Settlement processing assets                               | 2,459          | 1,600          | 1,354           | 1,231           | 1,144           | 1,450           | 1,544           | 1,494           | 1,472           | 1,472          | 2,008           | 2,103           | 2,195           | 2,195           | 2,195  | 2,38          |
| Inventory  | - 1            | -              | - 1             | - 1             |                 | -               | -               | -               |                 | -              | -               | -               | -               | -               | - 1    | -             |
| Deferred income taxes                                      | -              | -              | - 1             | -               | -               | -               | -               | -               |                 | -              | -               | -               | -               | -               | - 1    | -             |
| Prepaid expenses and other current assets                  | 207            | 217            | 439             | 621             | 642             | 684             | 750             | 750             | 750             | 750            | 750             | 750             | 750             | 750             | 750    | 75            |
| Assets of discontinued operations                          | -              | -              | - 1             | -               | -               | -               | -               | -               |                 | -              | -               | -               | -               | -               | - 1    | -             |
| Income tax receivable                                      |                | -              | - 1             | -               | -               | -               | -               | -               |                 | -              | -               | -               | -               | -               |        | -             |
| Total Current Assets                                       | 4.304          | 3.376          | 4.366           | 4.592           | 4,711           | 5,152           | 5,217           | 5.274           | 5.308           | 5,308          | 4,780           | 5.178           | 5,709           | 6.149           | 6,149  | 8.22          |
| Goodwill, net  | 5,704          | 6.341          | 23,760          | 23,871          | 24.813          | 24.794          | 23,496          | 23,496          | 23,496          | 23,496         | 23,496          | 23,496          | 23,496          | 23,496          | 23,496 | 23,49         |
| Other intangible assets, net                               | 2.182          | 2,489          | 13,155          | 12,016          | 11,634          | 11.292          | 10.273          | 9.945           | 9.617           | 9,617          | 9.289           | 8.961           | 8.634           | 8.306           | 8,306  | 6,99          |
| Property and equipment, net                                | 588            | 654            | 1,383           | 1.579           | 1,688           | 1.716           | 1.689           | 1.748           | 1.799           | 1,799          | 1.848           | 1.903           | 1.962           | 2.016           | 2.016  | 2.26          |
| Deferred income taxes                                      | 13             | 8              | 6               | . 8             | 12              | 23              | 31              | 31              | 31              | 31             | 31              | 31              | 31              | 31              | 31     | 3             |
| Other  | 207            | 363            | 1.810           | 2.136           | 2,422           | 2.458           | 3,470           | 3.470           | 3.470           | 3,470          | 3.470           | 3.470           | 3.470           | 3.470           | 3,470  | 3.47          |
| Total Assets   | 12.998         | 13.231         | 44,480          | 44,202          | 45,280          | 45,435          | 44,176          | 43,963          | 43,721          | 43,721         | 42,914          | 43,039          | 43,303          | 43,467          | 43,467 | 44,48         |
|  |                |                |                 |                 |                 |                 |                 |                 |                 |                |                 |                 |                 |                 |        |               |
| Line of credit   | 635            | 700            | 463             | 359             | 484             | 497             | 470             | 470             | 470             | 470            | 470             | 470             | 470             | 470             | 470    | 47            |
| Current portion of long-term debt                          | 100            | 115            | 35              | 827             | 79              | 120             | 1.280           | 1.280           | 1.280           | 1.280          | 1.280           | 1.280           | 1.280           | 1.280           | 1.280  | 1.28          |
| Accounts payable and accrued liabilities                   | 1.040          | 1,177          | 1.822           | 2.061           | 2.542           | 2.550           | 2.339           | 2 220           | 2.254           | 2,254          | 1,533           | 1,539           | 1,599           | 1,646           | 1,646  | 1.78          |
| Settlement processing obligations                          | 2.041          | 1,276          | 1,259           | 1,302           | 1,358           | 1.699           | 1.800           | 1.741           | 1.715           | 1,715          | 1.710           | 1,790           | 1,868           | 1.868           | 1,868  | 2.03          |
| Income taxes payable                                       | 2,041          | 1,210          | 1,200           | .,002           | 1,000           | 1,000           | 1,000           | .,              | 1,710           | .,             | 1,710           | 1,700           | 1,000           | 1,000           | 1,000  | 2,00          |
| Commitment to purchase redeemable noncontrolling inte      | - 1            | 1              | 1 1             | - 1             | - 1             | _               | _               | _               |                 | - 1            | _               | _               | _               | _               | - 1    |               |
| Payables to Money Transfer Beneficiaries                   |                |                |                 |                 |                 |                 |                 |                 |                 |                |                 |                 |                 |                 |        |               |
| Obligations under capital leases                           | - 1            |                |                 | - 1             | - 1             | - 1             |                 | - 1             | - 1             | - :            | - 1             | - 1             | - 1             | - 1             | - 1    | - :           |
| Current liabilities held for sale                          |                |                |                 |                 |                 |                 | 94              | 94              | 94              | 94             | 94              | 94              | 94              | 94              | 94     | 9.            |
| Total Current Liabilities                                  | 3,816          | 3.269          | 3,579           | 4.549           | 4,463           | 4.867           | 5,982           | 5.804           | 5.813           | 5.813          | 5.086           | 5.172           | 5.311           | 5.357           | 5,357  | 5.66          |
| Long-term debt   | 4,559          | 5,015          | 9.090           | 8.466           | 11.415          | 11.724          | 10,884          | 10.784          | 10.684          | 10,684         | 10 484          | 10.325          | 10.225          | 10.125          | 10,125 | 9.72          |
| Deferred income taxes                                      | 437            | 585            | 3,146           | 2,948           | 2,793           | 2.726           | 2.626           | 2.726           | 2.626           | 2,626          | 2.626           | 2.626           | 2.626           | 2.626           | 2,626  | 2,62          |
| Other long-term liabilities                                | 221            | 176            | 610             | 751             | 739             | 724             | 708             | 708             | 708             | 708            | 708             | 708             | 708             | 708             | 708    | 70            |
| Obligations under capital leases, net of current portion   | 221            | - 170          | 010             | - '31           | 135             | 124             | 700             | 700             | 700             | 700            | 700             | 700             | 700             | 700             | 700    | 70            |
| Notes payable, net of current portion                      |                |                | - 1             |                 | - 1             | -               | -               | -               | - 1             |                | -               | -               | -               | -               |        |               |
| Total Liabilities  | 9.033          | 9.044          | 16,425          | 16.715          | 19,410          | 20.040          | 20,199          | 20.022          | 19.830          | 19.830         | 18.904          | 18.831          | 18.870          | 18.816          | 18.816 | 18.72         |
| Total Liabilities  | 9,033          | 3,044          | 10,423          | 10,713          | 15,410          | 20,040          | 20,100          | 20,022          | 15,030          | 19,030         | 10,304          | 10,051          | 10,070          | 10,010          | 10,010 | 10,72         |
| Noncontrolling interest                                    | 171            | 195            | 199             | 155             | 241             | 235             | 221             | 198             | 189             | 189            | 176             | 170             | 148             | 138             | 138    | 8             |
| Noncontrolling Interest                                    | 171            | 195            | 199             | 155             | 241             | 233             | 221             | 190             | 109             | 109            | 1/0             | 170             | 140             | 130             | 130    |               |
| Preferred stock, no par value: 5,000,000                   |                |                |                 |                 |                 |                 |                 |                 |                 |                |                 |                 |                 |                 |        |               |
|  | -              | - :            |                 |                 |                 | -               | -               | -               | - 1             |                | -               | -               | -               | -               | -      | -             |
| Common stock, no par value; 200,000,000                    |                |                |                 |                 |                 |                 |                 |                 |                 |                |                 |                 |                 |                 |        |               |
| Paid-in capital  | 2,380<br>1,598 | 2,235<br>2,066 | 25,833<br>2,333 | 24,964<br>2,571 | 22,880<br>2,982 | 22,338<br>3.069 | 21,801<br>2,326 | 21,445<br>2.669 | 21,089<br>2,984 | 21,089         | 20,931<br>3,274 | 20,776<br>3.633 | 20,622<br>4.034 | 20,468<br>4.415 | 20,468 | 19,86<br>6,18 |
| Retained earnings  |                | (310)          | (311)           | (202)           | (234)           |                 |                 |                 |                 | 2,984<br>(371) |                 |                 |                 |                 | 4,415  |               |
| Accumulated other comprehensive income                     | (183)          | (310)          | (311)           | (202)           | (234)           | (247)           | (371)           | (371)           | (371)           | (371)          | (371)           | (371)           | (371)           | (371)           | (371)  | (37           |
| Treasury stock   | -              | -              | -               | -               | - 1             | -               | -               | -               |                 | -              | -               | -               | -               | -               | -      | -             |
| Deferred compensation                                      | 3,795          | 3,991          | 27.856          | 27.332          | 25.628          | 25,160          | 00 000          | 00 9 10         | 23,702          | 23,702         | 23.834          | 01000           | 24,285          | 24.512          | 24,512 | 25.67         |
| Total stockholders' equity                                 | 3,795          | 3,991          | 27,856          | 21,332          | 25,628          | 25,160          | 23,756          | 23,743          | 23,702          | 23,702         | 23,834          | 24,038          | 24,285          | 24,512          | 24,512 | 25,67         |
|  |                |                |                 |                 |                 |                 |                 |                 |                 |                |                 |                 |                 |                 |        |               |
| Total Liabilities & Stockholders' Equity                   | 12.998         | 13.231         | 44,480          | 44,202          | 45,280          | 45,435          | 44,176          | 43,963          | 43,721          | 43,721         | 42,914          | 43.039          | 43,303          | 43,467          | 43,467 | 44,48         |



### **Disclosure Section**

The information and opinions in Morgan Stanley Research were prepared by Morgan Stanley & Co. LLC, and/or Morgan Stanley C.T.V.M. S.A., and/or Morgan Stanley Mexico, Casa de Bolsa, S.A. de C.V., and/or Morgan Stanley Canada Limited. As used in this disclosure section, "Morgan Stanley" includes Morgan Stanley & Co. LLC, Morgan Stanley C.T.V.M. S.A., Morgan Stanley Mexico, Casa de Bolsa, S.A. de C.V., Morgan Stanley Canada Limited and their affiliates as necessary.

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The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Sandy Beatty, CFA; James E Faucette; Jeffrey D Goldstein, CFA; Michael N Infante; Jonathan Y Lee; Meryl R Thomas, CFA.

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Within the last 12 months, Morgan Stanley has either provided or is providing non-investment banking, securities-related services to and/or in the past has entered into an agreement to provide services or has a client relationship with the following company: Affirm Holdings Inc, Automatic Data Processing Inc, Fidelity National Information Services, Fiserv Inc., Fleetcor Technologies Inc, Home Point Capital Inc, LoanDepot Inc, MasterCard Inc, Paychex Inc, PayPal Holdings, Inc., Q2 Holdings Inc, Rocket Cos Inc, SS&C Technologies Holdings, Inc., Visa Inc., Western Union Co, WEX Inc.

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#### Global Stock Ratings Distribution

(as of September 30, 2022)

# Morgan Stanley | RESEARCH



The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm. For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

|                   | COVERAGE UI | NIVERSE | INVESTMEN | IT BANKING CLIE | ENTS (IBC) | OTHER MA<br>INVESTMENT :<br>CLIENTS ( | SERVICES |
|-------------------|-------------|---------|-----------|-----------------|------------|---------------------------------------|----------|
| STOCK RATING      | COUNT       | % OF    | COUNT     | % OF            | % OF       | COUNT                                 | % OF     |
| CATEGORY          |             | TOTAL   |           | TOTAL IBC       | RATING     |                                       | TOTAL    |
|                   |             |         |           | (               | CATEGORY   |                                       | OTHER    |
|                   |             |         |           |                 |            |                                       | MISC     |
| Overweight/Buy    | 1342        | 38%     | 295       | 41%             | 22%        | 590                                   | 39%      |
| Equal-weight/Hold | 1582        | 45%     | 335       | 47%             | 21%        | 702                                   | 46%      |
| Not-Rated/Hold    | 0           | 0%      | 0         | 0%              | 0%         | 0                                     | 0%       |
| Underweight/Sell  | 610         | 17%     | 84        | 12%             | 14%        | 219                                   | 14%      |
| TOTAL             | 3,534       |         | 714       |                 |            | 1511                                  |          |

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

#### Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

#### **Analyst Industry Views**

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

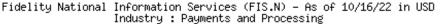
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)







Stock Rating History: 10/1/17 : NA/I; 7/19/18 : NA/A; 12/16/19 : E/A

Price Target History: 12/16/19 : 146; 2/14/20 : 157; 3/23/20 : 109; 5/8/20 : 118; 8/5/20 : 128; 11/13/20 : 136; 1/27/21 : 138; 4/22/21 : 149; 5/14/21 : 154; 11/5/21 : 128; 12/9/21 : 120; 1/20/22 : 134; 2/16/22 : 113; 5/4/22 : 114; 6/21/22 : 102; 6/30/22 : 100

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) -- Stock Price (Covered by Current Analyst) --

Stock and Industry Ratings (abbreviations below) appear as + Stock Rating/Industry View

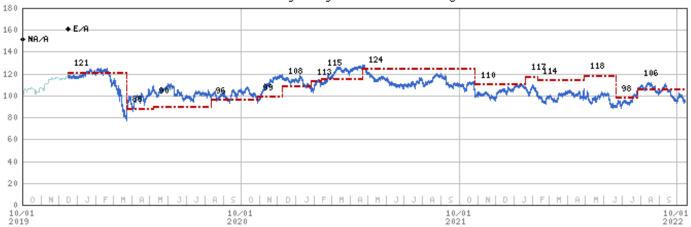
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

#### Fiserv Inc. (FISV.O) – As of 10/16/22 in USD Industry : Payments and Processing



Stock Rating History: 10/1/17 : NA/I; 7/19/18 : NA/A; 12/16/19 : E/A

Price Target History: 12/16/19 : 121; 3/23/20 : 88; 5/8/20 : 90; 8/11/20 : 96; 10/28/20 : 99; 12/9/20 : 108; 1/27/21 : 113; 2/12/21 : 115; 4/22/21 : 124; 10/28/21 : 110; 1/20/22 : 117; 2/9/22 : 114; 4/28/22 : 118; 6/21/22 : 98; 7/27/22 : 106

Source: Morgan Stanley Research Date Format: MM/DD/YY Price Target - No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) - Stock Price (Covered by Current Analyst) -

Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View

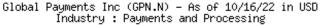
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.







Stock Rating History: 10/1/17 : E/I; 7/19/18 : E/A

Price Target History: 8/3/17 : 98; 11/2/17 : 106; 11/9/17 : 110; 2/16/18 : 118; 5/3/18 : 119; 7/19/18 : 124; 8/2/18 : 125; 11/1/18 : 128; 1/28/19 : 126; 2/14/19 : 128; 5/7/19 : 137; 1/23/20 : 210; 3/23/20 : 147; 5/7/20 : 161; 8/10/20 : 172; 1/27/21 : 185; 2/10/21 : 197; 4/22/21 : 209; 5/5/21 : 216; 8/3/21 : 219; 9/9/21 : 185; 11/3/21 : 151; 1/20/22 : 173; 2/11/22 : 162; 5/3/22 : 156; 6/21/22 : 123; 8/2/22 : 141

Source: Morgan Stanley Research Date Format: MM/DD/YY Price Target - No Price Target Assigned (NA)

Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —

Stock and Industry Ratings (abbreviations below) appear as + Stock Rating/Industry View

Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry

(or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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| COMPANY (TICKER)                               | RATING (AS OF) | PRICE* (10/14/2022 |
|--|----------------|--------------------|
| lames E Faucette                               |                |                    |
| Affirm Holdings Inc (AFRMO)                    | O (02/08/2021) | \$17.2             |
| Automatic Data Processing Inc (ADP.O)          | E (02/25/2021) | \$225.9            |
| AvidXchange Holdings Inc. (AVDXO)              | E (04/28/2022) | \$7.8              |
| Block, Inc (SQ.N)                              | E (03/23/2022) | \$55.9             |
| Clearwater Analytics Holdings, Inc. (CWAN.N)   | E (10/19/2021) | \$15.7             |
| Enfusion, Inc. (ENFN.N)                        | E (11/15/2021) | \$11.7             |
| Evertec Inc (EVTC.N)                           | U (03/09/2021) | \$33.0             |
| Fidelity National Information Services (FIS.N) | E (12/16/2019) | \$77.0             |
| Finance Of America Cos Inc (FOAN)              | E (10/11/2021) | \$1.6              |
| Fiserv Inc. (FISV.O)                           | E (12/16/2019) | \$94.              |
| Fleetcor Technologies Inc (FLT.N)              | E (02/25/2021) | \$171.             |
| Global-e Online Ltd. (GLBE.O)                  | O (06/07/2021) | \$22.9             |
| Global Payments Inc (GPN.N)                    | E (10/03/2014) | \$112.             |
| Home Point Capital Inc (HMPT.O)                | E (02/23/2021) | \$1.               |
| i3 Verticals Inc (IIIV.O)                      | E (07/26/2021) | \$20.              |
| Jack Henry & Associates, Inc. (JKHY.O)         | E (06/15/2022) | \$183.             |
| LoanDepot Inc (LDI.N)                          | E (03/09/2021) | \$1.               |
| Margeta, Inc. (MQ.O)                           | O (05/24/2022) | \$6.               |
| MasterCard Inc (MAN)                           | O (03/28/2016) | \$295.0            |
| nCino, Inc. (NCNO.O)                           | O (04/13/2022) | \$29.              |
| NerdWallet Inc. (NRDS.O)                       | E (11/29/2021) | \$10.              |
| Open Lending Corp. (LPRO.O)                    | U (07/25/2022) | \$7.               |
| Paya Holdings Inc (PAYAO)                      | E (08/23/2021) | \$5.9              |
| Paychex Inc (PAYXO)                            | E (02/25/2021) | \$109.             |
| PayPal Holdings, Inc. (PYPL.O)                 | O (10/11/2017) | \$80.              |
| Q2 Holdings Inc (QTWO.N)                       | E (08/10/2020) | \$29.              |
| Repay Holdings Corporation. (RPAY.O)           | E (10/05/2020) | \$6.               |
| Rocket Cos Inc (RKT.N)                         | E (08/31/2020) | \$6.9              |
| Shift4 Payments Inc. (FOUR.N)                  | U (04/19/2022) | \$45.              |
| SS&C Technologies Holdings, Inc. (SSNC.O)      | E (10/28/2019) | \$47.              |
| Upstart Holdings, Inc. (UPST.O)                | U (06/29/2022) | \$22.9             |
| UWM Holdings Corp (ÙWMC.N)                     | E (07/12/2021) | \$3.               |
| Verra Mobility Corp (VRRMO)                    | E (05/26/2021) | \$15.9             |
| Visa Inc. (V.Ň)                                | O (03/28/2016) | \$185.2            |
| Western Union Co (WU.N)                        | U (02/02/2015) | \$14.              |
| WEX Inc (WEXN)                                 | E (02/25/2021) | \$140.0            |

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