



# EURONET WORLDWIDE

## Financial Results First Quarter 2017



### Presenters:

Michael J. Brown, Chairman, CEO & President

Rick L. Weller, EVP & CFO

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April 26, 2017

# Forward Looking Statements

Statements contained in this presentation that concern Euronet's or its management's intentions, expectations, or predictions of future performance, are forward-looking statements. Euronet's actual results may vary materially from those anticipated in such forward-looking statements as a result of a number of factors, including but not limited to: conditions in world financial markets and general economic conditions, including the effects in Europe of the recent Brexit vote and economic conditions in specific countries or regions; the effects of demonetization in India; technological developments affecting the market for the Company's products and services; foreign currency exchange rate fluctuations; the effects of any breaches in the security of our computer systems or those of our customers or vendors; the Company's ability to renew existing contracts at profitable rates; changes in fees payable for transactions performed for cards bearing international logos or over switching networks such as card transactions on ATMs; changes in the Company's relationship with, or in fees charged by, the Company's business partners; competition; the outcome of claims and other loss contingencies affecting the Company; and changes in laws and regulations affecting the Company's business, including immigration laws. These risks and other risks are described in the Company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of these filings may be obtained via the SEC's Edgar website or by contacting the Company or the SEC. Any forward-looking statements made in this presentation speak only as of the date of this presentation. Except as required by law, Euronet does not intend to update these forward-looking statements and undertakes no duty to any person to provide any such update under any circumstances. The Company regularly posts important information to the investor relations section of its website.

# Defined Terms

Unless specifically noted otherwise within this presentation, the following terms are hereby defined as follows:

Constant currency measures are computed as if foreign currency exchange rates did not change from the prior period. This information is provided to illustrate the impact of changes in foreign currency exchange rates on the Company's results when compared to the prior period.

Adjusted operating income is defined as operating income excluding expenses related to the potential MoneyGram acquisition.

Adjusted EBITDA is defined as net income excluding interest, income tax expense, depreciation, amortization, expenses related to the potential MoneyGram acquisition, share-based compensation expenses and other non-operating or non-recurring items that are considered expenses or income under U.S. GAAP. Adjusted EBITDA represents a performance measure and is not intended to represent a liquidity measure.

Adjusted earnings per share (Adjusted EPS) is defined as diluted U.S. GAAP earnings per share excluding, to the extent incurred in the period, the tax-effected impacts of: a) foreign currency exchange gains or losses, b) goodwill impairment charges, c) gains or losses from the early retirement of debt, d) share-based compensation, e) acquired intangible asset amortization, f) expenses related to the potential MoneyGram acquisition g) non-cash interest expense, h) non-cash income tax expense, and i) other non-operating or non-recurring items. Adjusted earnings per share represents a performance measure and is not intended to represent a liquidity measure.

The reconciliation of non-GAAP items is included in the attached supplemental data.

The Company does not provide a reconciliation of its forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for GAAP and the related GAAP to non-GAAP reconciliation, including adjustments that could be made for currency exchange rate fluctuations and other charges reflected in the Company's reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

# FINANCIAL HIGHLIGHTS

## FIRST QUARTER 2017

Rick L. Weller

Executive Vice President & CFO

# Q1 2017 Financial Report

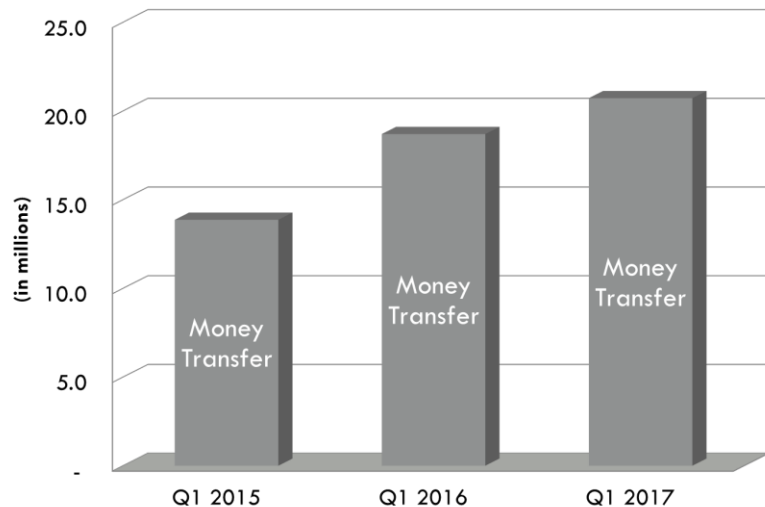
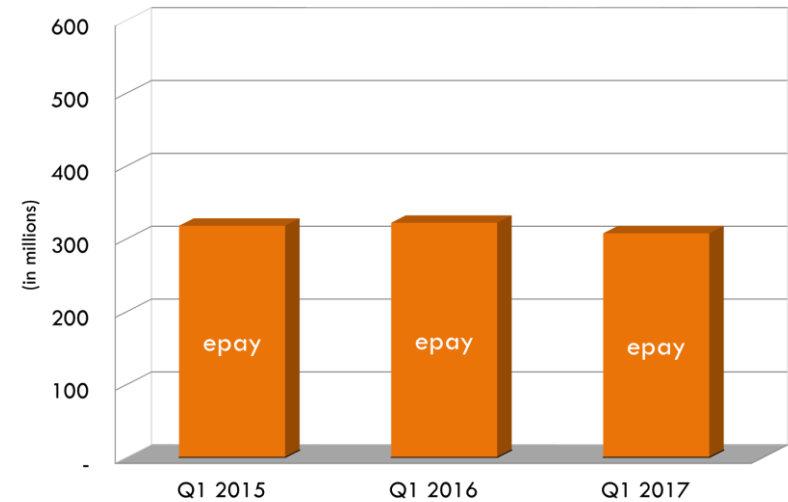
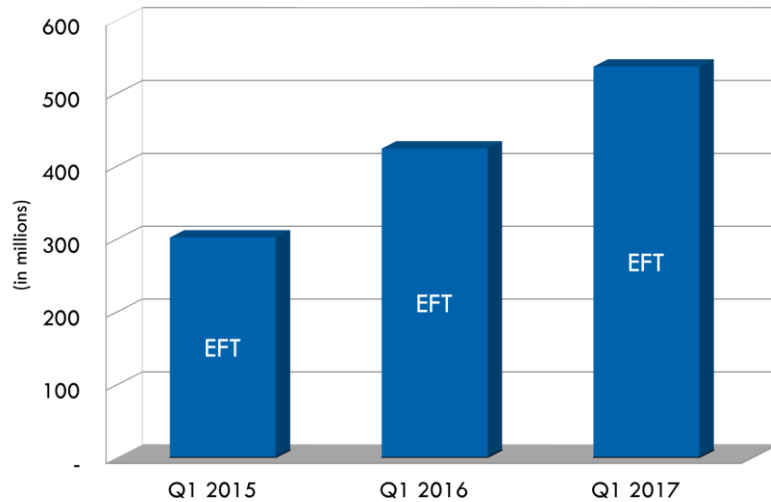
## Quarterly Financial Highlights

- Revenue - \$473.4 million
  - 8% increase from \$437.9 million for Q1 2016
  - 10% increase on a constant currency basis
- Operating income - \$41.3 million
  - 1% decrease from \$41.9 million for Q1 2016
  - No change on a constant currency basis
- Adjusted Operating income - \$42.5 million
  - 1% increase from \$41.9 million for Q1 2016
  - 3% increase on a constant currency basis
- Adjusted EBITDA - \$67.8 million
  - 4% increase from \$64.9 million for Q1 2016
  - 7% increase on a constant currency basis
- Adjusted EPS - \$0.73
  - 6% increase from \$0.69 for Q1 2016

Note: Costs related to the proposed MoneyGram transaction are included in Corporate expense and are excluded from adjusted operating income, adjusted EBITDA and adjusted EPS. See reconciliations for additional details.

# Q1 2017 Financial Report

## Three Year Transaction Trend



- EFT transactions grew 27%
  - Growth in India, Europe and the acquisition of YourCash
- epay transactions declined 4%
  - Declines in the Middle East, North America, Turkey and the U.K., partially offset by growth in Germany and Poland
- Money Transfer transactions grew 11%
  - Increases from growth across all sectors

# Q1 2017 Business Segment Results

## Same Quarter Prior Year Comparison

USD (in millions)	Revenue		Adjusted Operating Income (Expense)		Adjusted EBITDA	
	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017
<b>EFT Processing</b>	\$ 86.6	\$ 105.8	\$ 13.3	\$ 11.0	\$ 22.1	\$ 22.8
<i>% Change</i>		<b>22%</b>		<b>-17%</b>		<b>3%</b>
<b>epay</b>	170.1	<b>164.1</b>	15.8	<b>13.9</b>	18.9	<b>16.4</b>
<i>% Change</i>		<b>-4%</b>		<b>-12%</b>		<b>-13%</b>
<b>Money Transfer</b>	181.6	<b>204.0</b>	21.5	<b>26.1</b>	28.8	<b>33.4</b>
<i>% Change</i>		<b>12%</b>		<b>21%</b>		<b>16%</b>
<b>Subtotal</b>	438.3	<b>473.9</b>	50.6	<b>51.0</b>	69.8	<b>72.6</b>
<i>% Change</i>		<b>8%</b>		<b>1%</b>		<b>4%</b>
<b>Corporate, Eliminations &amp; Other</b>	(0.4)	<b>(0.5)</b>	(8.7)	<b>(8.5)</b>	(4.9)	<b>(4.8)</b>
<b>Consolidated Total</b>	\$ 437.9	\$ 473.4	\$ 41.9	\$ 42.5	\$ 64.9	\$ 67.8
<i>% Change</i>		<b>8%</b>		<b>1%</b>		<b>4%</b>

Note: Costs related to the proposed MoneyGram transaction are included in Corporate expense and are excluded from adjusted operating income, adjusted EBITDA and adjusted EPS. See reconciliations for additional details.

# Q1 2017 Business Segment Results

Same Quarter Prior Year Comparison – Constant Currency\*

USD (in millions)	Revenue		Adjusted Operating Income (Expense)		Adjusted EBITDA	
	Q1 2016	Q1 2017*	Q1 2016	Q1 2017*	Q1 2016	Q1 2017*
<b>EFT Processing</b>	\$ 86.6	\$ 107.8	\$ 13.3	\$ 11.3	\$ 22.1	\$ 23.3
<i>% Change</i>		24%		-15%		5%
<b>epay</b>	170.1	168.0	15.8	14.3	18.9	16.8
<i>% Change</i>		-1%		-9%		-11%
<b>Money Transfer</b>	181.6	207.1	21.5	26.3	28.8	33.9
<i>% Change</i>		14%		22%		18%
<b>Subtotal</b>	438.3	482.9	50.6	51.9	69.8	74.0
<i>% Change</i>		10%		3%		6%
<b>Corporate, Eliminations &amp; Other</b>	(0.4)	(0.5)	(8.7)	(8.6)	(4.9)	(4.8)
<b>Consolidated Total</b>	\$ 437.9	\$ 482.4	\$ 41.9	\$ 43.3	\$ 64.9	\$ 69.2
<i>% Change</i>		10%		3%		7%

Note: Costs related to the proposed MoneyGram transaction are included in Corporate expense and are excluded from adjusted operating income, adjusted EBITDA and adjusted EPS. See reconciliations for additional details.



# Q1 2017 Financial Report

## Balance Sheet Overview

<b>USD (in millions)</b>	<b>12/31/2016</b>	<b>3/31/2017</b>
<b>Unrestricted Cash</b>	\$ 734.4	\$ 763.6
<b>Total Assets</b>	2,712.9	2,597.8
<b>Total Debt</b>	604.2	604.9
<b>Total Debt to Trailing Twelve Month Adjusted EBITDA Multiple</b>	1.8x	1.7x
<b>Net Debt to Trailing Twelve Month Adjusted EBITDA Multiple</b>	NM	NM

\*NM - Not Meaningful

# BUSINESS OVERVIEW

## FIRST QUARTER 2017

Michael J. Brown

Chairman, CEO & President

# EFT SEGMENT

# EFT Segment Highlights

## Q1 2017 Financial Highlights

- Revenue - \$105.8 million
  - 22% increase from \$86.6 million for Q1 2016
  - 24% increase on a constant currency basis
- Operating income - \$11.0 million
  - 17% decrease from \$13.3 million for Q1 2016
  - 15% decrease on a constant currency basis
- Adjusted EBITDA - \$22.8 million
  - 3% increase from \$22.1 million for Q1 2016
  - 5% increase on a constant currency basis
- Transactions – 537 million
  - 27% increase from 424 million for Q1 2016

# EFT Segment Highlights

## Q1 2017 Growth Drivers

- **New Country Entered**
  - Launched an independent ATM network in Slovakia
- **New Agreements (e.g. for ATM, IAD, Outsourcing Services, etc.):**
  - Launched:
    - Debit card issuing agreement with Loyal Bank European Fi in Hungary
    - Recycler outsourcing with Broker Consult in Czech Republic
    - Merchant network participation agreement in Poland
    - Participation on local card scheme “Servired” in Spain
    - Rollout of contactless technology on ATMs across Europe
    - Switching, card management and reconciliation services outsourcing agreement with Equitas Small Finance Bank in India
  - Signed:
    - Switching, card management and reconciliation services outsourcing agreement with Aditya Birla Idea Payments Bank
- **Renewals & Extensions:**
  - Renewals:
    - ATM, POS acquiring & card issuing agreements with Leumi Bank in Romania
    - ATM deployment agreement with Coop Supermarket in the Netherlands
  - Extensions:
    - Deposit network participation agreements with Raiffeisen & Alior Banks in Poland
    - Deposit agreements with Deutsche Bank in Poland to include new recyclers

# EFT Segment Highlights

## Q1 2017 Growth Drivers

- **Value Added Services:**

- Launched:

- Charity donations on ATMs & Recyclers in Poland during the Great Orchestra of Christmas Charity event
- JCB card acceptance on POS terminals in all Euronet countries
- Unified payment interface outsourcing agreement with Indian Overseas Bank
- DCC services for HDFC and South Indian Banks in India
- Instant bill payments for ICICI and IDFC Bank in India
- Acquirer bill pay with Bank of the Bahamas
- Visa EMV chip card issuing with Banco Agricola of El Salvador
- Visa Paywave issuing with Ahli United Bank of Bahrain
- POS DCC with First Hawaiian Bank in Asia Pacific and the U.S. and United Overseas Bank in Thailand
- Pure Payment recurring payment ecommerce link



# EFT Segment Highlights

## India demonetization and ATM Deployment

### • India Demonetization Update

- Through March, the cash situation improved in-line with our expectations
- Adequate cash supply at the end of March to meet ATM cash-fill requirements
- Cash supply crimped at the beginning of April for unknown reasons
- Last week, cash supply returned to normal but we expect irregularities until the situation stabilizes
- Second quarter guidance factors in approximately \$1M of downward pressure related to the India demonetization

### • ATM Deployment — Sequential additions

ATMs at Beginning of Quarter	33,973
Traditional High Value ATM Adds	570
Low-Margin India ATMs	251
Re-deployed ATMs	351
<b>ATMs at End of Quarter</b>	<b>35,145</b>



#### INDIA AFTER DEMONETISATION

##### ATMs running 30% short of cash 5 months after note ban: Is this the new normal?

The ban on 500 and 1000 rupee notes has led to a shortage of cash at ATMs across the country, leading to a shortage of cash at ATMs across the country. The ban on 500 and 1000 rupee notes has led to a shortage of cash at ATMs across the country. The ban on 500 and 1000 rupee notes has led to a shortage of cash at ATMs across the country.

By [Ankur Mehta](#) | Updated on 12/01/2017



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#### Another dry spell for ATMs across Mumbai?

By [Gaurav Senkar and Rupsa Chakraborty](#) | Posted 5 hours | Now Available on the mid-day iOS App

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As 'out of cash', temporarily out of service' signs outside ATMs return to greet a handful of functioning ones see queues once again; in some cases, banks too run liquid cash, making customers wait for hours



Business Companies Industry Politics Money Outlook Lifestyle

#### ATMs still running dry, cash withdrawals drop as smaller notes in short supply

ATM withdrawals drop have fallen since, even though cash supply has improved the availability of lower-denomination notes of 500 and 1000 is insufficient

By [Ankur Mehta](#) | Updated on 12/01/2017

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# EPAY SEGMENT



# epay Segment Highlights

## Q1 2017 Financial Highlights

- Revenue - \$164.1 million
  - 4% decrease from \$170.1 million for Q1 2016
  - 1% decrease on a constant currency basis
- Operating income - \$13.9 million
  - 12% decrease from \$15.8 million for Q1 2016
  - 9% decrease on a constant currency basis
- Adjusted EBITDA - \$16.4 million
  - 13% decrease from \$18.9 million for Q1 2016
  - 11% decrease on a constant currency basis
- Transactions – 308 million
  - 4% decrease from 322 million for Q1 2016

# epay Segment Highlights

## Q1 2017 Growth Drivers

- Launched:

- France Distribution of Microsoft Office and Xbox subscriptions in Carrefour
- France Digital distribution of non-mobile content in Cdiscount, a major online retailer
- Italy Expanded distribution of TIM mobile top-up in branded stores
- Italy Distribution of iTunes in LIDL, a leading grocery chain
- Spain Distribution to 3,000 new tobacconists through a partnership with LK BITRONIC
- Germany Distribution of Google Play at more than 3,200 LIDL stores, a grocery chain
- Netherlands Distribution of Amazon gift cards in The Read Shop, a bookstore chain
- Turkey Distribution of Microsoft Office and Xbox
- India Digital distribution of Google Play gift codes with top three payment wallets
- India Prepaid mobile top-up distribution with Reliance

- Signed:

- France First transportation product in country with OUIBUS, a subsidiary of SNCF (national rail company)
- Italy Distribution of mobile/non-mobile product content in Trony and Expert Groups
- Turkey BIM, largest grocery retail chain in Turkey, for distribution of iTunes, Google Play and Xbox
- United States Rakuten, online retailer, for distribution of digital content including Xbox, Microsoft Office and Symantec Antivirus

# MONEY TRANSFER SEGMENT

# Money Transfer Segment Highlights

## Q1 2017 Financial Highlights

- Revenue - \$204.0 million
  - 12% increase from \$181.6 million for Q1 2016
  - 14% increase on a constant currency basis
- Operating income - \$26.1 million
  - 21% increase from \$21.5 million for Q1 2016
  - 22% increase on a constant currency basis
- Adjusted EBITDA - \$33.4 million
  - 16% increase from \$28.8 million for Q1 2016
  - 18% increase on a constant currency basis
- Transactions – 20.7 million
  - 11% increase from 18.7 million for Q1 2016

# Money Transfer Segment Highlights

## Q1 2017 Growth Drivers

- **Growth in Send & Payout Network, Correspondents and Locations**
  - Our Network reaches:
    - 146 countries
    - 321,000 total network locations, a 4% increase vs 2016
- **Correspondent Expansion**
  - Launched 10 new correspondents in 9 countries
  - Signed 16 new correspondent agreements across 12 countries, which will strengthen our network in India, Mexico, Bangladesh, Brazil and Morocco among other countries
- **Other Business:**
  - Signed extension with Walmart to provide the Walmart-2-Walmart service through April 2020
    - Introduced new lower pricing for all Walmart-2-Walmart US money transfers
    - Walmart's Bluebird cardholders can also enjoy new low pricing when transferring money to a Walmart store from their Bluebird mobile app
  - Expanded money transfer services at Walmart to include payout at Walmart's 4,600 stores for transactions originated overseas
  - Signed agreement with Walmart's UK affiliate, ASDA, to offer Asda Money Transfer Powered by Ria for send and payout services across more than 600 ASDA stores in the UK
    - Launched the digital offering of money transfer at ASDA money site.
  - Launched riamoneytransfer.es in Spain



# Summary & Outlook

- Q1 2017 Adjusted EPS of \$0.73, a 6% increase over Q1 2016
- EFT results reflect strong organic growth and the October 2016 acquisition of YourCash. This growth was offset by the impact of demonetization in India and continued investment in European ATM networks – which will result in strong earnings growth in the second and third quarters.
- epay benefitted from increased sales of non-mobile content
- Money Transfer expanded the Walmart relationship and delivered double-digit growth across all metrics of the business
- Our balance sheet continues to strengthen with good cash flow generation
- Q2 2017 Adjusted EPS is expected to be approximately \$1.09, assuming consistent foreign currency exchange rates

# Supplemental Data

In addition to the results presented in accordance with U.S. GAAP, the Company presents non-GAAP financial measures, such as constant currency, adjusted operating income, adjusted EBITDA and adjusted earnings per share. These measures should be used in addition to, and not a substitute for, revenues, net income, operating income and earnings per share computed in accordance with U.S. GAAP. We believe that these non-GAAP measures provide useful information to investors regarding the Company's performance and overall results of operations. These non-GAAP measures are also an integral part of the Company's internal reporting and performance assessment for executives and senior management. The non-GAAP measures used by the Company may not be comparable to similarly titled non-GAAP measures used by other companies. The attached schedules provide a full reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measure.

# Supplemental Data

## EURONET WORLDWIDE, INC.

### Reconciliation of Net Income to Adjusted Operating Income (Expense) and Adjusted EBITDA (unaudited - in millions)

	Three months ended March 31, 2017				
	EFT Processing	Money Gram	Money Transfer	Corporate Services	Consolidated
Net income					\$ 28.0
Add: Income tax expense					9.0
Add: Total other expense, net					4.3
Operating income (expense)	\$ 11.0	\$ 13.9	\$ 26.1	\$ (9.7)	41.3
Add: Expenses incurred for proposed MoneyGram acquisition	-	-	-	1.2	1.2
Adjusted operating income (expense) (1)	11.0	13.9	26.1	(8.5)	42.5
Add: Depreciation and amortization	11.8	2.5	7.3	-	21.6
Add: Share-based compensation	-	-	-	3.7	3.7
Earnings (expense) before interest, taxes, depreciation, amortization, share-based compensation, proposed transaction expenses, and other non-operating and non-recurring items (Adjusted EBITDA) (2)	\$ 22.8	\$ 16.4	\$ 33.4	\$ (4.8)	\$ 67.8

(1) Adjusted operating income excludes costs related to the potential MoneyGram acquisition and is a non-GAAP measure that should be considered in addition to, and not a substitute for, net income computed in accordance with U.S. GAAP.

(2) Adjusted EBITDA is a non-GAAP measure that should be considered in addition to and not a substitute for, net income computed in accordance with U.S. GAAP.



# Supplemental Data

## EURONET WORLDWIDE, INC.

### Reconciliation of Net Income to Operating Income (Expense) and Adjusted EBITDA

(unaudited - in millions)

Three months ended March 31, 2016

	<b>EFT Processing</b>	<b>epay</b>	<b>Money Transfer</b>	<b>Corporate Services</b>	<b>Consolidated</b>
Net income					\$ 29.1
Add: Income tax expense					9.1
Add: Total other expense, net					3.7
Operating income (expense)	\$ 13.3	\$ 15.8	\$ 21.5	\$ (8.7)	\$ 41.9
Add: Depreciation and amortization	8.8	3.1	7.3	0.1	19.3
Add: Share-based compensation	-	-	-	3.7	3.7
Earnings (expense) before interest, taxes, depreciation, amortization, share-based compensation and other non-operating and non-recurring items					
(Adjusted EBITDA) (1)	\$ 22.1	\$ 18.9	\$ 28.8	\$ (4.9)	\$ 64.9

(1) Adjusted EBITDA is a non-GAAP measure that should be considered in addition to and not a substitute for, net income computed in accordance with U.S. GAAP.

# Supplemental Data

## EURONET WORLDWIDE, INC.

### Reconciliation of Revenue, Adjusted Operating Income (Expense) and Adjusted EBITDA to Constant Currency Amounts by Segment (unaudited - in millions)

	Three months ended ended March 31, 2017				
	<b>EFT</b>		<b>Money</b>	<b>Corporate</b>	
	<b>Processing</b>	<b>epay</b>	<b>Transfer</b>	<b>Services</b>	<b>Consolidated</b>
Revenue	\$ 105.8	\$ 164.1	\$ 204.0	\$ (0.5)	\$ 473.4
Add: Estimated foreign currency impact *	2.0	3.9	3.1	-	9.0
Revenue - Constant Currency	<u>\$ 107.8</u>	<u>\$ 168.0</u>	<u>\$ 207.1</u>	<u>\$ (0.5)</u>	<u>\$ 482.4</u>
Adjusted Operating income (expense)	\$ 11.0	\$ 13.9	\$ 26.1	\$ (8.5)	\$ 42.5
Add: Estimated foreign currency impact *	0.3	0.4	0.2	(0.1)	0.8
Adjusted Operating income (expense) - Constant Currency	<u>\$ 11.3</u>	<u>\$ 14.3</u>	<u>\$ 26.3</u>	<u>\$ (8.6)</u>	<u>\$ 43.3</u>
Adjusted EBITDA (reconciled on previous schedule)	\$ 22.8	\$ 16.4	\$ 33.4	\$ (4.8)	\$ 67.8
Add: Estimated foreign currency impact *	0.5	0.4	0.5	-	1.4
Adjusted EBITDA - Constant Currency	<u>\$ 23.3</u>	<u>\$ 16.8</u>	<u>\$ 33.9</u>	<u>\$ (4.8)</u>	<u>\$ 69.2</u>

# Supplemental Data

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Adjusted Earnings per Share**  
(unaudited - in millions, except share and per share data)

	Three Months Ended	
	March 31,	
	2017	2016
Net income attributable to Euronet Worldwide, Inc.	\$ 28.1	\$ 29.1
Foreign currency exchange gain	(1.7)	(2.2)
Intangible asset amortization	6.3	6.4
Share-based compensation	3.7	3.7
Expenses incurred for proposed acquisition of MoneyGram	1.2	-
Income tax effect of above adjustments	(1.6)	(1.9)
Non-cash interest accretion	2.7	2.6
Non-cash GAAP tax expense	1.8	-
Adjusted earnings (1)	<u>\$ 40.5</u>	<u>\$ 37.7</u>
Adjusted earnings per share - diluted (1)	<u>\$ 0.73</u>	<u>\$ 0.69</u>
Diluted weighted average shares outstanding (GAAP)	54,921,779	54,529,588
Effect of unrecognized share-based compensation on diluted shares outstanding	<u>284,102</u>	<u>233,357</u>
Adjusted diluted weighted average shares outstanding	<u>55,205,881</u>	<u>54,762,945</u>

(1) Adjusted earnings and adjusted earnings per share are non-GAAP measures that should be considered in addition to, and not as a substitute for, net income and earnings per share computed in accordance with U.S. GAAP.