Fiserv Provides Preliminary 2024 Outlook and Expectations for Medium Term Outlook at its Investor Conference

November 15, 2023

Company provides preliminary 2024 outlook of 11% to 13% organic revenue growth

and adjusted EPS growth of 13% to 17%;

Company expects medium term organic revenue growth of 9% to 12%

and adjusted EPS growth of 14% to 18%;

Company affirms 2023 financial outlook

BROOKFIELD, Wis.--(BUSINESS WIRE)--Nov. 15, 2023-- Fiserv, Inc. (NYSE: FI), a leading global provider of payments and financial services technology solutions, will host its Investor Conference today beginning at 8:30 a.m. ET. The event will feature presentations from Fiserv senior management and will include an overview of its strategic and growth plans for the next several years. In conjunction with the event, the company is providing preliminary 2024 financial outlook and expectations for outlook for the medium term horizon (2025 and 2026).

"We believe our performance since our last investor conference in 2020 demonstrated our ability to deliver consistently at a high level, through an uncertain macroeconomic environment," said Frank Bisignano, Chairman, President and Chief Executive Officer of Fiserv. "We expect our leading client franchise, combined with our broad distribution capability, extensive geographic reach and expansive product portfolio, will enable us to continue to be a leader in the fintech and payment space."

Outlook for 2023

The company affirms its 2023 outlook for organic revenue growth of 11% and adjusted earnings per share growth of 15% to 16%, a range of $7.47 to $7.52 per share.

Preliminary 2024 Outlook

Fiserv expects organic revenue growth of 11% to 13% for 2024. The company also expects adjusted earnings per share to grow in a range of 13% to 17% over adjusted earnings per share for 2023. The company will provide its 2024 outlook with its fourth quarter earnings update.

Medium Term Outlook

Fiserv expects organic revenue growth of 9% to 12% annually for the years 2025 and 2026. The company also expects annual adjusted earnings per share growth of 14% to 18% over this timeframe.

2023 Investor Conference Webcast

You can attend the 2023 Investor Conference via webcast beginning at 8:30 a.m. ET on Wednesday, November 15, 2023. There will be a one-hour break for lunch from approximately 12:00 to 1:00 p.m. ET, after which the webcast will resume with a financial outlook and a Q&A session. The event will conclude around 2:00 p.m. ET. The webcast can be accessed on the investor relations section of the Fiserv website at investors.fiserv.com. A replay will be available approximately one hour after the conclusion of the live webcast.

About Fiserv

Fiserv, Inc. (NYSE: FI), a Fortune 500™ company, aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale and business management platform. Fiserv is a member of the S&P 500® Index and one of *Fortune*® World's Most Admired Companies™. Visitfiserv.com and follow on social media for more information and the latest company news.

Use of Non-GAAP Financial Measures

In this news release, the company supplements its reporting of information determined in accordance with generally accepted accounting principles ("GAAP"), such as revenue, net income attributable to Fiserv and diluted earnings per share, with "adjusted revenue," "adjusted revenue growth," "organic revenue," "organic revenue growth," "adjusted net income," "adjusted earnings per share" and "adjusted earnings per share growth." Management believes that adjustments for certain non-cash or other items and the exclusion of certain pass-through revenue and expenses should enhance shareholders' ability to evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Therefore, the company excludes these items from its GAAP financial measures to calculate these unaudited non-GAAP measures. The corresponding reconciliations of these unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this news release, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of the non-cash and other items described below that are excluded from the non-GAAP outlook measures. See pages 5-7 for additional information regarding the company's forward-looking non-GAAP financial measures.

Examples of non-cash or other items may include, but are not limited to, non-cash intangible asset amortization expense associated with acquisitions; non-cash impairment charges; severance costs; net charges associated with debt financing activities; merger and integration costs; gains or losses from the sale of businesses, certain assets or investments; certain discrete tax benefits and expenses; and non-cash deferred revenue adjustments relating to the 2019 acquisition of First Data Corporation. The company excludes these items to more clearly focus on the factors management believes are pertinent to the company's operations, and management uses this information to make operating decisions, including the allocation of resources to the company's various businesses.

The company adjusts its non-GAAP results to exclude amortization of acquisition-related intangible assets as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions. Management believes that the adjustment of acquisition-related intangible asset amortization supplements GAAP information with a measure that can be used to assess the comparability of operating performance. Although the company excludes amortization from acquisition-related intangible assets from its non-GAAP expenses, management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.

Management believes organic revenue growth is useful because it presents adjusted revenue growth excluding the impact of foreign currency fluctuations, acquisitions, dispositions and the company's Output Solutions postage reimbursements and including deferred revenue purchase accounting adjustments. Management believes this supplemental information enhances shareholders' ability to evaluate and understand the company's core business performance.

These unaudited non-GAAP measures may not be comparable to similarly titled measures reported by other companies and should be considered in addition to, and not as a substitute for, revenue, net income attributable to Fiserv and diluted earnings per share or any other amount determined in accordance with GAAP.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated organic revenue growth, adjusted earnings per share, adjusted earnings per share growth and other statements regarding our future financial performance. Statements can generally be identified as forward-looking because they include words such as "believes," "anticipates," "expects," "could," "should," or words of similar meaning. Statements that describe the company's future plans, outlook, objectives or goals are also forward-looking statements.

Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that could cause the company's actual results to differ materially include, among others, the following: the company's ability to compete effectively against new and existing competitors and to continue to introduce competitive new products and services on a timely, cost-effective basis; changes in customer demand for the company's products and services; the ability of the company's technology to keep pace with a rapidly evolving marketplace; the success of the company's merchant alliances, some of which are not controlled by the company; the impact of a security breach or operational failure on the company's business, including disruptions caused by other participants in the global financial system; losses due to chargebacks, refunds or returns as a result of fraud or the failure of the company's vendors and merchants to satisfy their obligations; changes in local, regional, national and international economic or political conditions, including those resulting from heightened inflation, rising interest rates, a recession, bank failures, or intensified international hostilities, and the impact they may have on the company and its employees, clients, vendors, supply chain, operations and sales; the effect of proposed and enacted legislative and regulatory actions affecting the company or the financial services industry as a whole; the company's ability to comply with government regulations and applicable card association and network rules; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; the company's ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of the company's strategic initiatives; the company's ability to attract and retain key personnel; volatility and disruptions in financial markets that may impact the company's ability to access preferred sources of financing and the terms on which the company is able to obtain financing or increase its costs of borrowing; adverse impacts from currency exchange rates or currency controls; changes in corporate tax and interest rates; and other factors included in "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2022, and in other documents that the company files with the Securities and Exchange Commission, which are available at http://www.sec.gov. The preliminary 2024 outlook and medium term outlook for 2025 and 2026 reflect the anticipated financial results of the company in each year based on its current and expected assets, businesses and operations. The estimates assume no material acquisitions or dispositions and that there are no other factors, including those described above in this release, materially impacting the operations of the company.

You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. The company assumes no obligation to update any forward-looking statements, which speak only as of the date of this news release.

Fiserv, Inc.
Full Year Forward-Looking Non-GAAP Financial Measures

Reconciliations of unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this news release, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of these items that are excluded from the non-GAAP outlook measures. The company's forward-looking non-GAAP financial measures, including organic revenue growth, adjusted earnings per share and adjusted earnings per share growth, are designed to enhance shareholders' ability to evaluate the company's performance by excluding certain items to focus on factors and trends affecting its business.

Organic Revenue Growth - The company's organic revenue growth outlook excludes the impact of foreign currency fluctuations, acquisitions, dispositions and the impact of the company's Output Solutions postage reimbursements. The currency impact is measured as the increase or decrease in the expected adjusted revenue for the period by applying prior period foreign currency exchange rates to present a constant currency comparison to prior periods.

	2023 Growth	Preliminary 2024 Growth
Revenue	7.5%	6.5% - 8.5%
Output Solutions postage reimbursements	(0.5)%	(0.5)%
Adjusted revenue	7%	6% - 8%
Currency impact	3.5%	4.5%
Acquisition adjustments	(0.5)%	0.0%
Divestiture adjustments	1%	0.5%
Organic revenue	11%	11% - 13%

Adjusted Earnings Per Share - The company's adjusted earnings per share outlook excludes certain non-cash or other items such as non-cash intangible asset amortization expense associated with acquisitions; non-cash impairment charges; merger and integration costs; severance costs; gains or losses from the sale of businesses, certain assets and investments; and certain discrete tax benefits and expenses. The company estimates that amortization expense in 2023 with respect to acquired intangible assets will decrease approximately 10% compared to the amount incurred in 2022.

Other adjustments to the company's financial measures that were incurred in 2022 are presented on page 6 of this news release; however, they are not necessarily indicative of adjustments that may be incurred in the remainder of 2023 or beyond. Estimates of these impacts and adjustments on a forward-looking basis are not available due to the variability, complexity and limited visibility of these items.

Fiserv, Inc.
Full Year Forward-Looking Non-GAAP Financial Measures (cont.)

The company's adjusted earnings per share growth outlook for 2023 is based on 2022 adjusted earnings per share performance. The company's preliminary adjusted earnings per share growth outlook for 2024 is based on the midpoint of its 2023 adjusted earnings per share outlook.

2022 GAAP net income attributable to Fiserv	$	2,530
Adjustments:		
Merger and integration costs [1]		173
Severance costs		209
Amortization of acquisition-related intangible assets [2]		1,814
Non wholly-owned entity activities [3]		9
Net gain on sale of businesses and other assets [4]		(54)
Tax impact of adjustments [5]		(476)
2022 adjusted net income	$	4,205
Weighted average common shares outstanding - diluted		647.9
2022 GAAP earnings per share attributable to Fiserv - diluted	$	3.91
Adjustments - net of income taxes:		
Merger and integration costs [1]		0.21
Severance costs		0.25
Amortization of acquisition-related intangible assets [2]		2.21
Non wholly-owned entity activities [3]		(0.02)
Net gain on sale of businesses and other assets [4]		(0.06)
2022 adjusted earnings per share	$	6.49
2023 adjusted earnings per share outlook		$7.47 - $7.52
2023 adjusted earnings per share growth outlook		15% - 16%
2024 adjusted earnings per share growth outlook		13% - 17%

In millions, except per share amounts, unaudited. Earnings per share is calculated using actual, unrounded amounts.
See pages 2-3 for disclosures related to the use of non-GAAP financial measures.

Fiserv, Inc.
Full Year Forward-Looking Non-GAAP Financial Measures (cont.)

1 Represents acquisition and related integration costs incurred in connection with various acquisitions. Merger and integration costs associated with integration activities primarily include share-based compensation and third-party professional service fees.

2 Represents amortization of intangible assets acquired through various acquisitions, including customer relationships, software/technology and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, financing costs and debt discounts.

3 Represents the company's share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest. This adjustment also includes gains totaling $201 million related to certain equity investment transactions and other net expense of $43 million associated with joint venture debt guarantees.

4 Represents an aggregate net gain on the sale of Fiserv Costa Rica, S.A., the company's Systems Integration Services operations, the company's Korea operations and certain merchant contracts in conjunction with the mutual termination of one of the company's merchant alliance joint ventures.

5 The tax impact of adjustments is calculated using a tax rate of 21%, which approximates the company's annual effective tax rate, exclusive of the $16 million actual tax impacts associated with the net gain on sale of businesses, other assets and certain equity investment transactions.

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