

Second Quarter 2016 Financial Results Conference Call

August 2, 2016

The logo for Fiserv, consisting of the word "fiserv." in a bold, lowercase, sans-serif font. The letter "f" is significantly larger than the other letters, and the period at the end is a solid square.

Forward-Looking Statements and Non-GAAP Financial Measures

The information disclosed in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated “internal revenue growth,” “adjusted EPS growth,” “free cash flow per share” and “adjusted operating margin.” 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, 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 may affect the company’s results include, among others: pricing and other actions by competitors; the capacity of the company’s technology to keep pace with a rapidly evolving marketplace; the impact of market and economic conditions on the financial services industry; the impact of a security breach or operational failure on the company’s business; the effect of legislative and regulatory actions in the United States and internationally; the company’s ability to comply with government regulations; 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; and other factors included in the company’s filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2015 and in other documents that the company files with the SEC. 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 presentation.

This presentation includes the following non-GAAP financial measures: “adjusted revenue,” “internal revenue,” “adjusted operating income,” “adjusted operating margin,” “adjusted EPS,” “free cash flow” and “free cash flow per share.” These non-GAAP measures are indicators that management uses to provide additional comparisons between current results and prior reported results and as a basis for planning and forecasting future periods. We believe that these measures provide additional insight into our operating performance. Additional information about these measures and reconciliations to the nearest GAAP financial measures, to the extent available, are provided in the appendix to this presentation.

2Q-16 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
2Q-16	\$1,294	\$1,268	\$1.08
2Q-15	\$1,225	\$1,222	\$0.95
Change	6%	4%	14%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

YTD-16 Key Financial Metrics

	Adjusted Revenue	Internal Revenue	Adjusted EPS
YTD-16	\$2,547	\$2,508	\$2.14
YTD-15	\$2,418	\$2,414	\$1.83
Change	5%	4%	17%

\$ in millions, except per share amounts.

See appendix for information regarding non-GAAP measures.

YTD-16 Other Financial Metrics

	Free Cash Flow Per Share	Adjusted Operating Margin
YTD-16	\$1.95	31.9%
YTD-15	\$1.82	31.5%
Change	7%	40 bps

See appendix for information regarding non-GAAP measures.

Internal Revenue Growth by Segment

Segment	2Q-16	YTD-16
Payments	6%	7%
Financial	1%	1%
Total Company	4%	4%

See appendix for information regarding non-GAAP measures.

2Q-16 Adjusted Operating Margin by Segment

Segment	2Q-16	2Q-15	Change
Payments	34.3%	33.2%	110 bps
Financial	33.0%	34.5%	(150 bps)
Total Company	31.9%	31.8%	10 bps

See appendix for information regarding non-GAAP measures.

YTD-16 Adjusted Operating Margin by Segment

Segment	YTD-16	YTD-15	Change
Payments	33.9%	32.2%	170 bps
Financial	32.8%	34.4%	(160 bps)
Total Company	31.9%	31.5%	40 bps

See appendix for information regarding non-GAAP measures.

2016 Performance Outlook

Key Financial Metrics	Growth
Internal Revenue	5 - 6%
Adjusted EPS ¹	13 - 15%

Other Financial Metrics	Target
Free Cash Flow Per Share	> \$4.70
Adjusted Operating Margin Expansion	> 50 bps

¹Full year Adjusted EPS range increased to \$4.38 to \$4.45 from prior guidance of \$4.32 to \$4.44.

Appendix

Internal Revenue Growth

Internal revenue growth is measured as the increase in adjusted revenue for the current period excluding acquired revenue and revenue attributable to dispositions, divided by adjusted revenue from the prior year period excluding revenue attributable to dispositions.

In the second quarter of 2016, acquired revenue was \$26 million (all in the Payments segment), and revenue in the comparable prior year period attributable to dispositions was \$3 million (all in the Financial segment). During the first six months of 2016, acquired revenue was \$39 million (all in the Payments segment), and revenue in the comparable prior year period attributable to dispositions was \$4 million (all in the Financial segment).

See page 2 for disclosures related to non-GAAP financial measures.

Adjusted EPS

	<u>2Q-16</u>	<u>2Q-15</u>	<u>YTD-16</u>	<u>YTD-15</u>
GAAP EPS	\$ 0.94	\$ 0.53	\$ 2.21	\$ 1.26
Adjustments – net of income taxes:				
Merger, integration and other costs ¹	0.02	0.02	0.06	0.03
Severance costs	0.01	0.02	0.02	0.02
Amortization of acquisition-related intangible assets	0.11	0.13	0.23	0.26
Debt extinguishment and refinancing costs	—	0.25	—	0.25
StoneRiver and other investment activity ²	—	—	(0.39)	—
Adjusted EPS	<u>\$ 1.08</u>	<u>\$ 0.95</u>	<u>\$ 2.14</u>	<u>\$ 1.83</u>

Earnings per share is calculated using actual, unrounded amounts.

See page 2 for disclosures related to non-GAAP financial measures.

¹Merger, integration and other costs include acquisition-related integration costs of \$16 million in 2016, including a \$10 million non-cash impairment charge during the first quarter associated with the decision to replace an existing software solution with software purchased in a business acquisition; incremental costs associated with the achievement of the company's operational effectiveness objectives, including expenses related to data center and real estate consolidation activities; and a non-cash expense in 2015 related to the modification of certain employee equity award agreements.

²Represents the company's share of a net gain on the sale of a business interest at StoneRiver Group L.P., a joint venture in which the company owns a 49% interest, of \$146 million, as well as a non-cash write-off of a \$7 million investment, in the first quarter of 2016.

Free Cash Flow Per Share

	<u>YTD-16</u>	<u>YTD-15</u>
Net cash provided by operating activities	\$ 687	\$ 600
Capital expenditures ¹	(145)	(203)
Other adjustments ^{1, 2}	(100)	42
Free cash flow	<u>\$ 442</u>	<u>\$ 439</u>
Diluted shares	<u>226.5</u>	<u>241.7</u>
Free cash flow per share	<u>\$ 1.95</u>	<u>\$ 1.82</u>

In millions, except per share amounts. Free cash flow per share is calculated using actual, unrounded amounts.

See page 2 for disclosures related to non-GAAP financial measures.

¹2015 includes \$43 million of capital expenditures, primarily leasehold improvements and furniture and equipment related to the company's Atlanta facility consolidation, of which \$24 million is offset by landlord reimbursements reported in net cash provided by operating activities, and \$19 million of non-reimbursable building expenditures is included in "other adjustments."

²Free cash flow excludes tax-effected severance, merger and integration payments; certain cash distributions from StoneRiver; and other items which management believes may not be indicative of the future free cash flow of the company. "Other adjustments" in 2016 removes cash distributions, net of related tax payments, from StoneRiver of \$117 million.

Adjusted Revenue and Adjusted Operating Income

Total Company

	2Q-16	2Q-15	YTD-16	YTD-15
Revenue	\$ 1,363	\$ 1,298	\$ 2,694	\$ 2,573
Output Solutions postage reimbursements	(71)	(74)	(149)	(157)
Deferred revenue purchase accounting adjustments	2	1	2	2
Adjusted revenue	<u>\$ 1,294</u>	<u>\$ 1,225</u>	<u>\$ 2,547</u>	<u>\$ 2,418</u>
Operating income	\$ 362	\$ 326	\$ 701	\$ 640
Merger, integration and other costs	7	8	23	13
Severance costs	4	6	8	9
Amortization of acquisition-related intangible assets	40	50	80	99
Adjusted operating income	<u>\$ 413</u>	<u>\$ 390</u>	<u>\$ 812</u>	<u>\$ 761</u>
Operating margin	26.6%	25.1%	26.0%	24.9%
Adjusted operating margin	31.9%	31.8%	31.9%	31.5%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

See page 2 for disclosures related to non-GAAP financial measures.

Adjusted Revenue and Adjusted Operating Income by Segment

Payments Segment

	2Q-16	2Q-15	YTD-16	YTD-15
Revenue	\$ 763	\$ 701	\$ 1,512	\$ 1,397
Output Solutions postage reimbursements	(71)	(74)	(149)	(157)
Deferred revenue purchase accounting adjustments	1	—	1	—
Adjusted revenue	<u>\$ 693</u>	<u>\$ 627</u>	<u>\$ 1,364</u>	<u>\$ 1,240</u>
Operating income	\$ 237	\$ 208	\$ 462	\$ 399
Merger, integration and other costs	1	—	1	—
Adjusted operating income	<u>\$ 238</u>	<u>\$ 208</u>	<u>\$ 463</u>	<u>\$ 399</u>
Operating margin	31.1%	29.7%	30.5%	28.6%
Adjusted operating margin	34.3%	33.2%	33.9%	32.2%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

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Adjusted Revenue and Adjusted Operating Income by Segment

Financial Segment

	2Q-16	2Q-15	YTD-16	YTD-15
Revenue	\$ 612	\$ 608	\$ 1,211	\$ 1,201
Deferred revenue purchase accounting adjustments	1	1	1	2
Adjusted revenue	<u>\$ 613</u>	<u>\$ 609</u>	<u>\$ 1,212</u>	<u>\$ 1,203</u>
Operating income	<u>\$ 202</u>	<u>\$ 209</u>	<u>\$ 397</u>	<u>\$ 413</u>
Operating margin	33.0%	34.5%	32.8%	34.4%
Adjusted operating margin	33.0%	34.5%	32.8%	34.4%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

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