



2021  
**Investor  
Conference**

September 8, 2021

**global**payments

Innovation that  
**delivers.**

# Forward-Looking Statements

This presentation and comments made by Global Payments' management during the investor conference may contain certain forward-looking statements within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which we operate, and beliefs of and assumptions made by our management, involve risks, uncertainties and assumptions that could significantly affect the financial condition, results of operations, business plans and the future performance of Global Payments. Actual events or results might differ materially from those expressed or forecasted in these forward-looking statements. Accordingly, we cannot guarantee that our plans and expectations will be achieved. Examples of forward-looking statements include, but are not limited to, statements we make regarding revenue, earnings estimates and liquidity; management's expectations regarding future plans, objectives and goals; market and growth opportunities; the effects of the COVID-19 pandemic on our business, including estimates of the effects of the pandemic on our revenues and future financial operating results; debt capacity and capital available for allocation; timing and completion of anticipated benefits of acquisitions or strategic initiatives; and our success and timing in developing and introducing new services or products. Statements can generally be identified as forward-looking because they include words such as "believes," "anticipates," "expects," "could," "should," or words of similar meaning.

In addition to factors previously disclosed in Global Payments' reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the effects of global economic, political, market, health and social events or other conditions, including the effects and duration of the COVID-19 pandemic and containment taken in response; management's assumptions and projections used in their estimates of the timing and severity of the effects of the COVID-19 pandemic on our future revenues, results of operations and liquidity; our ability to meet our liquidity needs in light of the effects of the COVID-19 pandemic or otherwise; the outcome of any legal proceedings that may be instituted against the company and our directors; difficulties, delays and higher than anticipated costs related to integrating the businesses of Global Payments and TSYS, including with respect to implementing controls to prevent a material security breach of any internal systems or to successfully manage credit and fraud risks in business units; failing to fully realize anticipated cost savings and other anticipated benefits of the TSYS merger when expected or at all; business disruptions from the TSYS merger integration that may harm our business, including current plans and operations; the impact of a security breach or operational failure on the company's business; failing to comply with the applicable requirements of Visa, Mastercard or other payment networks or card schemes or changes in those requirements; the ability to maintain Visa and Mastercard registration and financial institution sponsorship; the ability to retain and hire key personnel; the diversion of management's attention from ongoing business operations; the continued availability of capital and financing; increased competition in the markets in which we operate and our ability to increase our market share in existing markets and expand into new markets; our ability to safeguard our data; risks associated with our indebtedness, foreign currency exchange and interest rate risks; the effects of new or changes in current laws, regulations, credit card association rules or other industry standards, including privacy and cybersecurity laws and regulations; and events beyond our control, such as acts of terrorism, and other factors included in the "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, and in other documents that we file with the SEC, which are available at <https://www.sec.gov>. Any forward-looking statements speak only as of the date of this communication or as of the date they were made, and we undertake no obligation to update forward-looking statements, except as required by law.

## Use of Non-GAAP Financial Measures

The following presentation may include certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. A schedule which reconciles our results as reported under Generally Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation is attached as an Appendix hereto and is also posted on the Company's website at [www.globalpayments.com](http://www.globalpayments.com) (in the "News and Events" section).

# Agenda

## Strategy Overview

Jeff Sloan, *Chief Executive Officer*

## Merchant Solutions

Cameron Bready, *President and Chief Operating Officer*

## Issuer Solutions

Gaylon Jowers, *Senior Executive Vice President and President, TSYS Issuer Solutions*

## B2B Strategy

Josh Whipple, *Senior Executive Vice President, Chief Strategy and Enterprise Risk Officer*

## Financial Outlook

Paul Todd, *Senior Executive Vice President and Chief Financial Officer*

## Summary

Jeff Sloan, *Chief Executive Officer*

## Q&A Panel

Jeff Sloan, Cameron Bready, Paul Todd, Guido Sacchi



SECTION 1

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# Strategy Overview

**Jeff Sloan**

*Chief Executive Officer*

# Unique model

## Software driven

**Top Quartile SaaS Company**

By revenue

**#1 Issuer Solutions**

US, Canada, UK, Ireland

**6,000**

Software partners

**#2 Program Manager**

Business and Consumer Solutions



## Full Ecomm Omni

**~25%**

Of revenue<sup>(1)</sup>

**38 Countries**

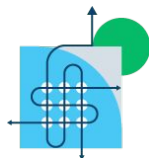
Full service and local support

**Single API**

Integration cross-border in 170+ countries

**50M+ Virtual Cards**

Generated annually



## Faster growth markets

**2x US GDP**

Growth rate

**170+ Countries**

Served cross-border

**1,500 FIs & Partners**

In emerging regions

**850,000**

Merchant locations

**>1.5 Billion**

BNPL/IPP txns annually

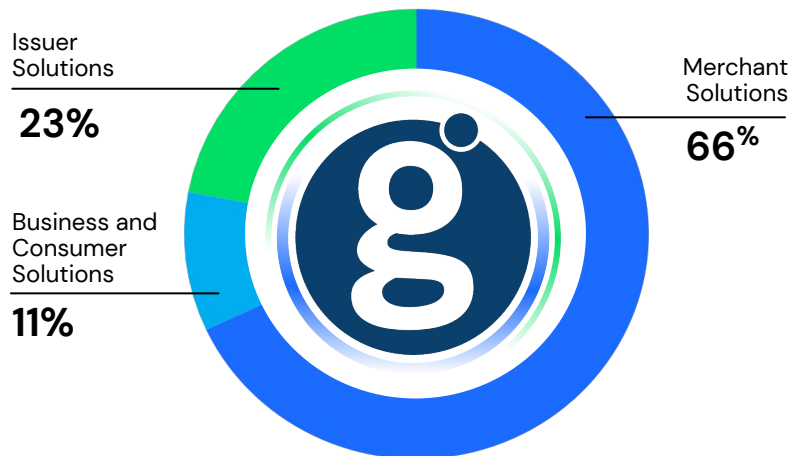


**Targeting 75% technology-enabled revenue**

# Innovation that delivers

2021E ADJ NET REVENUE<sup>(1)</sup>

**\$7.72 Billion**



WORLDWIDE SCALABLE ECOSYSTEM

**24,000 Team members**

**4.0M**

Merchant locations

**>170**

Countries cross border

**59B**

Transactions

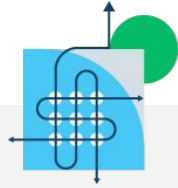
**>760M**

Accounts on file

# Differentiated **strategy**



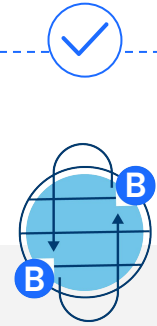
**Software  
driven**



**Full Ecomm  
omnichannel**



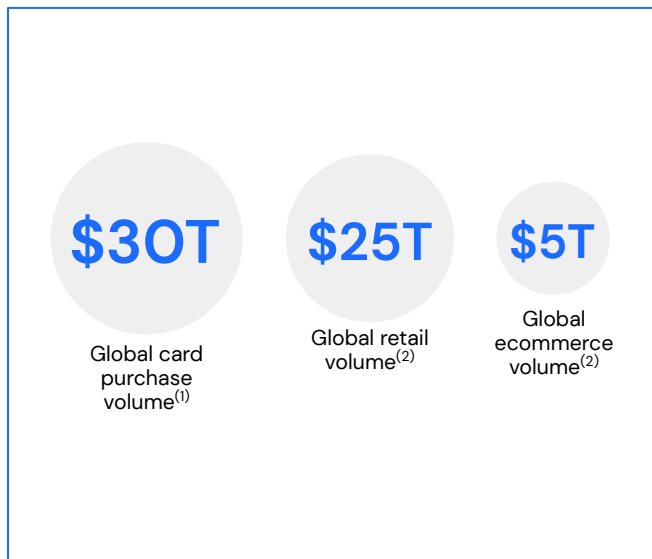
**Faster growth  
markets**



**B2B**

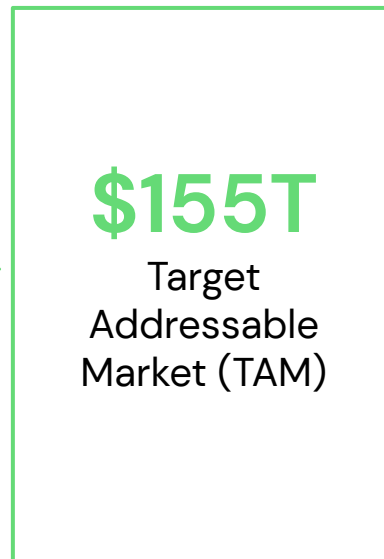
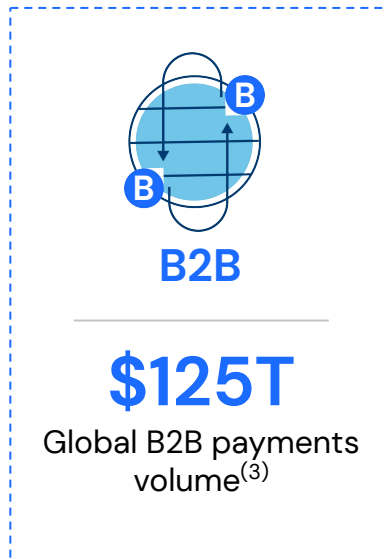
# Chasing massive TAMs

## Existing market opportunity



+

## Plus B2B sizing



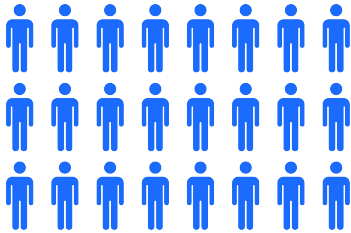


# How we win

Software leadership



Unmatched virtual and physical reach



Unique two-sided ecosystem



B2B @ scale

>\$600M revenue

## Top quartile SaaS business today

FTEs	GPN	Leading ecomm competitor
Europe	>4,400	~1,250
APAC	>4,000	~150
North America	>15,000	~250
LATAM	>250	~100

## Transaction stream optimization

MineralTree complemented with commercial payments, acquiring, payroll, paycard, virtual card assets

# Benefiting from digitization

## Ascendance of ecomm/omni

- Unified commerce platform
- Single API integration worldwide
- Unique virtual and physical footprint
- Outsized at ~25% of GPN revenue<sup>(1)</sup>

## Emerging payment methods

- Non-card / faster payments
- ~140 Alternative payment methods
- Installment payment plans at scale / buy now pay later
- Leading virtual card enabler

## Convergence of software and payments

- Cloud native environments
- Fully API issuer technology
- Top quartile SaaS company
- B2B software / payments / AP automation

## Vertical and product specialization

- 9 owned vertical software offerings
- Partnerships across 70+ verticals
- 6 of top 10 QSRs driving >175M online orders
- 2M telemedicine visits

Unique and distinctive collaborations with  and 



# Fact vs fiction



## MYTH

**New entrants are taking share at our expense**

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**We are undersized in ecommerce**

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**We have limited exposure to neobanks, startups, and fintech**

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**The pandemic has negatively impacted our model prospectively**

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**Limited actionable M&A opportunities**

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**Three to five year growth outlook less clear**

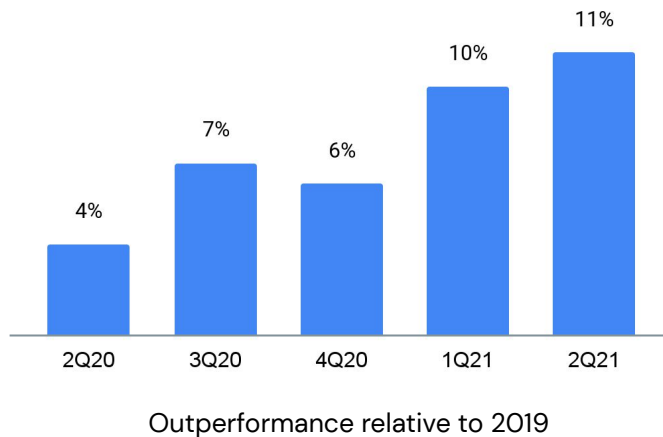


## REALITY

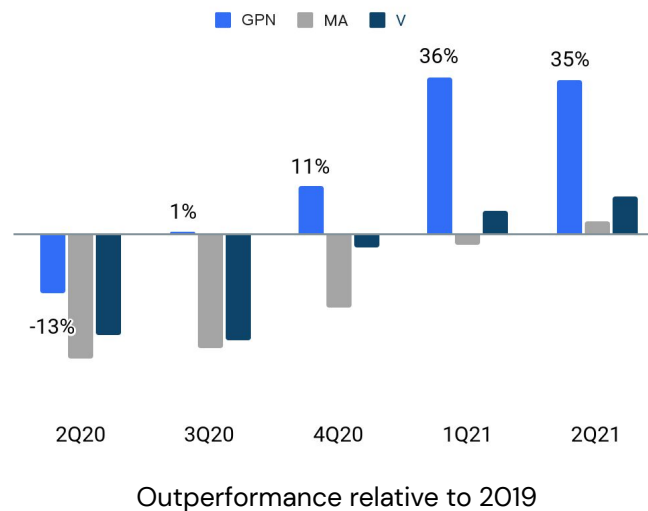
- Outperformed the markets consistently since the pandemic
  - MID count and volumes up strongly despite COVID-19
- 
- Ecomm is ~25% of GPN revenue<sup>(1)</sup> vs 13% of retail market spend<sup>(2)</sup>
  - Leading ecomm business globally by revenue
- 
- Unique AWS and Google collaborations
  - Extensive pipeline of fintech opportunities
- 
- Largest payments businesses back at normalized levels
  - Digitization means tech enablement growing more quickly
- 
- Invested \$2.5 billion in acquisitions during pandemic with 60%+ in tech enabled, cloud native environments
  - Nearly \$30 billion of available capacity through cycle<sup>(3)</sup>
- 
- Raising cycle guidance today
  - Track record of outperformance through multiple cycles

# Superior resilience and faster growth

## GPN acquiring vs. worldwide credit<sup>(1)(2)</sup>

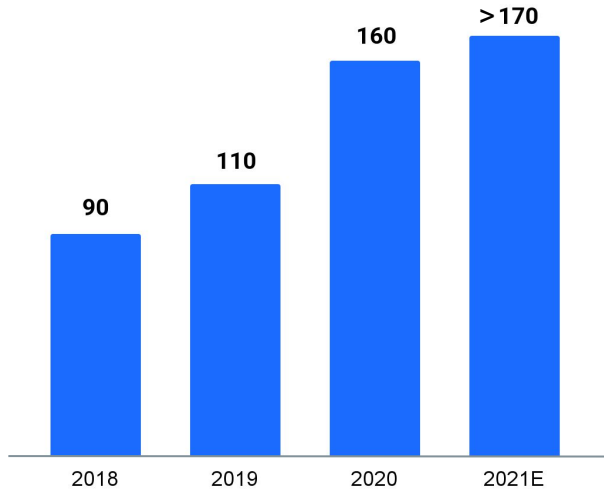


## GPN adj. EPS performance vs. networks



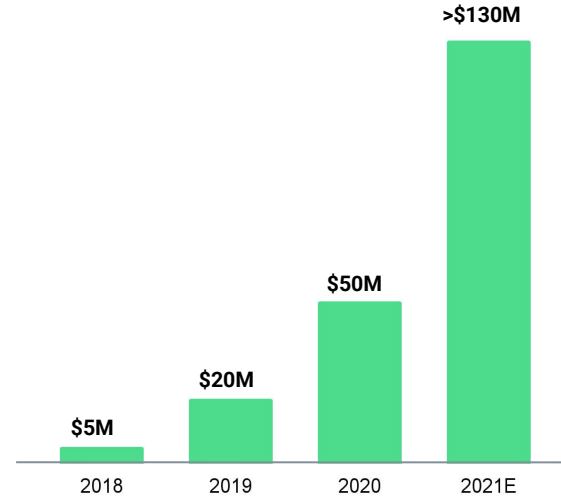
# History of innovation

## Accelerating major product delivery






Annual product releases with >\$500K of spend

## Significant cross-selling track record



Analytics and customer engagement revenue

# Accelerating digital growth

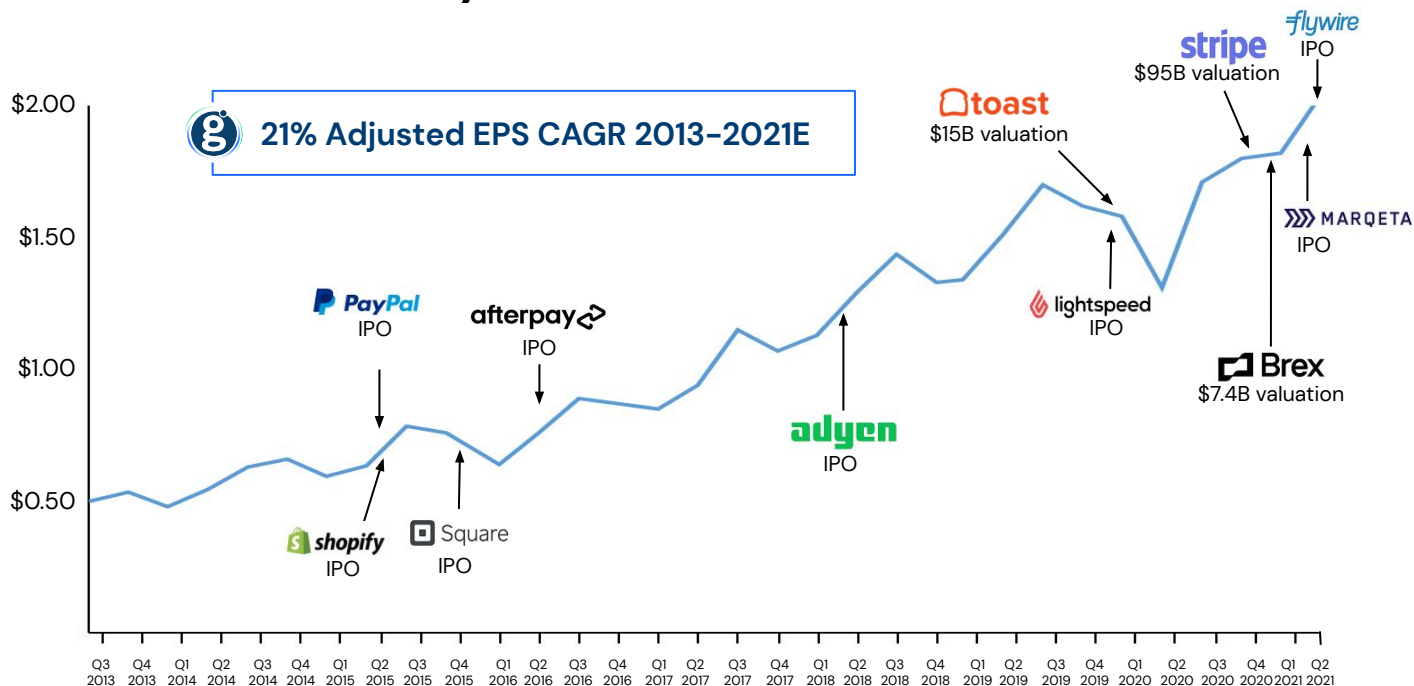
	Pre-COVID	Post-COVID
 <b>Integrated growth</b>	Low double-digits	<b>Mid-teens</b>
 <b>Ecomm/omni growth</b>	Mid-teens	<b>20%+</b>
 <b>Digital engagement</b>		
- Issuer	30%+ of txns	<b>40%+ of txns</b>
- Business & Consumer	Low-20s % GDV	<b>High-20s % GDV</b>
- QSR remote orders	19M annually	<b>175M annually</b>
- Telemedicine visits	25K annually	<b>2M annually</b>

Pre-COVID represents Full Year 2019 performance; Post COVID represents YTD 2021 run-rate  
 Integrated & Omnichannel growth represents adjusted net revenue growth  
 Digital engagement for Issuer Solutions and Business & Consumer Solutions represent % of on-line transactions and GDV, respectively

# Track record across cycles

**g** 21% Adjusted EPS CAGR 2013-2021E

New entrants founded prior to 2016	
1998	PayPal
2006	adyen bill.com
2009	flywire stripe Square
2010	MARQETA Revel
2012	toast



Consistently beating adjusted EPS expectations



SECTION 2

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# Merchant Solutions

**Cameron Bready**

*President and Chief Operating Officer*



# Delivering **distinctive merchant solutions** at scale globally

Industry leader with unmatched scale and reach

**Leading**

Integrated payments and ecomm omni provider globally

**140**

Alternative payment types

**100+**

Verticals

**3,500+**

Sales professionals

Differentiated tech-enabled solutions



Software-driven payments solutions



Broadest geographic footprint

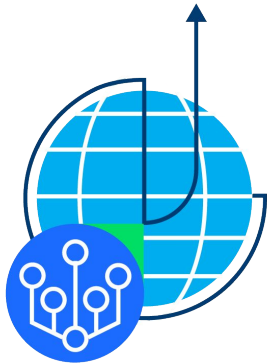


Full worldwide omnichannel capabilities



Extensive suite of commerce enablement solutions

# Merchant solutions business composition



Worldwide

**\$5.1B+**  
Revenue



North America  
**~\$4.2B+**



Europe  
**~\$700M**



Asia Pacific  
**~\$250M**



Owned software  
**~\$1.4B**



Partnered software  
**~\$1.0B**



Total Ecomm/Omni<sup>(1)</sup>  
**~\$1.4B**

# Global merchant business with **best in class** metrics

## Superior distribution model



**3,500+**

Sales reps

**20,000**

Partners

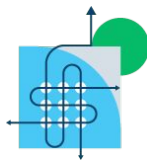
**~30,000**

MIDs per month

**75+%**

New U.S. sales tech-enabled

## Scalable platform



**10,000**

Integrations

**9**

Cloud-native ent. software solutions

**8,500**

New cloud software MIDs per month

**3,000**

Ops / support professionals

## Strong operational execution



**+330k**

MIDs vs 2019

**18%**

Volume growth Q2'21 vs. 2019

**80 Months**

Avg. NA merchant lifespan

**85%**

Retention

# Merchant strategy supported by four key pillars

Diversified and distinctive distribution globally



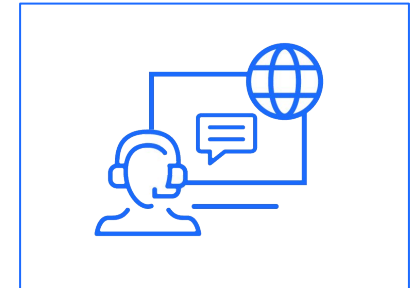
Innovative products and commerce solutions



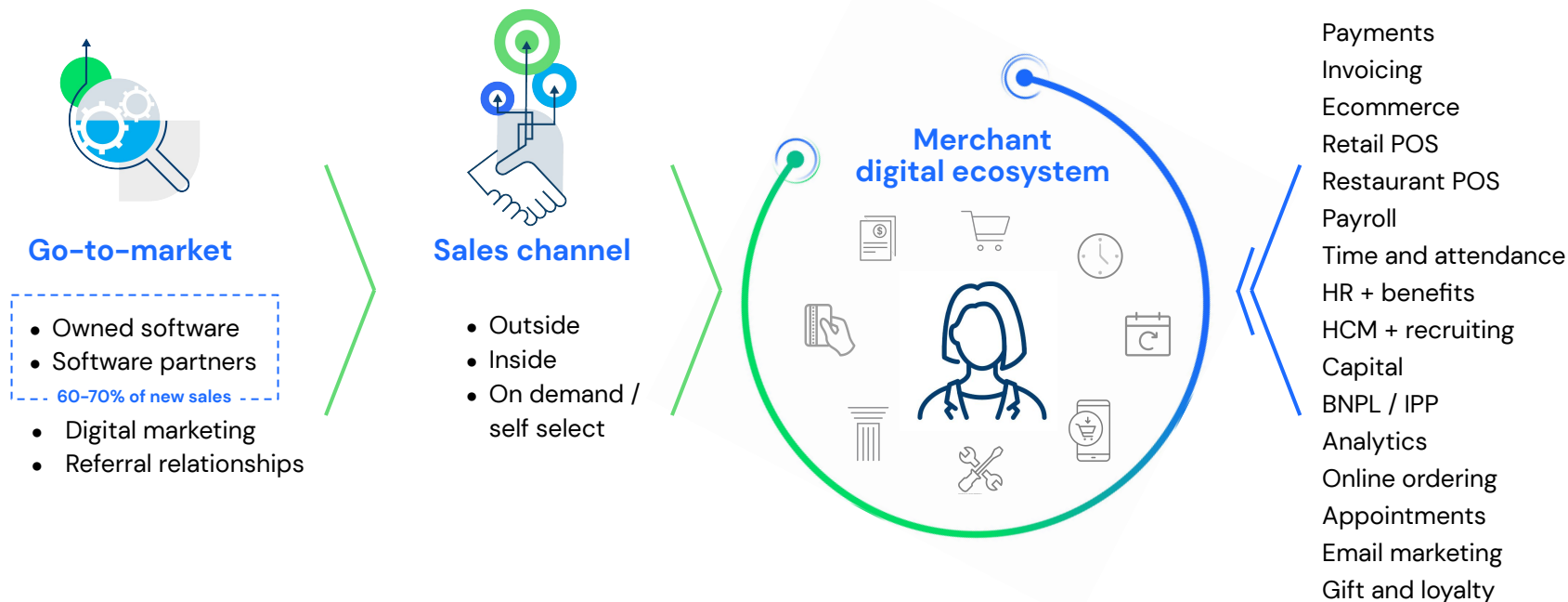
Scalable cloud-native tech and op environments



Distinctive, localized customer support and care



# Go-to-market depth and breadth



# Predominant trends driving business



**Market verticalization**

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**Omnichannel acceleration**

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**Demand for business solutions**

# Commerce enablement— the convergence of payments + software



## Payments

Embedding payments into software through integrated offerings



## Software

Adding payments to increase software customer LTV

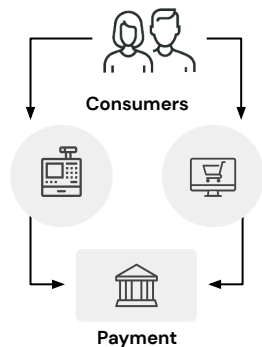
## Payments + Software

Converging to re-define the  
Merchant Solutions business model

# Shifting paradigm: **transactions to experiences**

Allows customers to meet consumers how and where they want to be met

## Traditional payment services



## Commerce enablement

- Requires products and services that provide experiences directly to consumers
- Improves user experience—results in unique value proposition



Unique Value

Consumer Experience



# Targeting the **largest segments** of the U.S. economy



## Owned

VERTICAL	Real Estate	Govt.	Commerce / Retail	Healthcare	Food & Hospitality	Education	Gaming	Field Services
REPRESENTATIVE SOFTWARE COMPANIES		<b>Heartland</b> Bill Pay  	<b>Heartland</b> Retail POS  	AdvancedMD	<b>Heartland</b> Restaurant POS  	  <b>Heartland</b> Education  		<b>Heartland</b> For Service Professionals
U.S. GDP BY INDUSTRY	\$3.0T	\$2.7T	\$2.6T	\$1.6T	\$600B	\$300B	\$100B	\$100B

**\$11T Total U.S. GDP**

## Partnered (70 verticals)

- Dental
- Dealer management
- Consulting
- Automotive
- Carwash
- Construction
- Chiropractic
- Veterinary
- Spa / salon
- C-store
- Self-storage
- Vision
- Dry cleaning
- Wineries
- Legal practice
- Childcare

Representing **50%** of Total U.S. GDP

# Vertically fluent integrated product suite

Commerce enablement strategy key differentiator to securing more ISV Partners, generating more leads, and driving more payments revenue

## Global Payments Integrated



### Merchants

#### Solutions for Merchants to run their businesses

- Run and Grow My Business
- Online booking
- Telephony integration to CRM
- Merchant portal

### Consumers

#### Delivering a seamless payment experience

- In-person payments
- Online payments
- Recurring payments
- Mobile payments
- Innovative POS

### Consumers and Merchants

#### Convenience and real-time engagement tools

- Analytics & Customer Engagement
- Reputation management
- Text-to pay
- Loyalty and rewards

# POS software solutions that **scale with our customers**

**Restaurant  
POS**



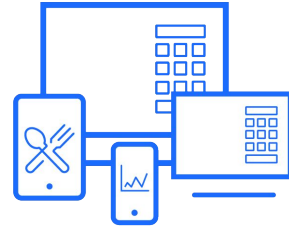
**Mobile**



**Terminal+**

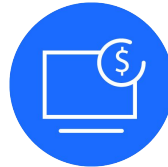


**Essentials**



**Full Suite**

**Retail  
POS**



# Owned software differentiation

## Owned software

### Vertical software

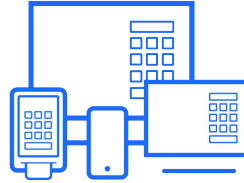
**ACTIVE**  
network.

**AdvancedMD**

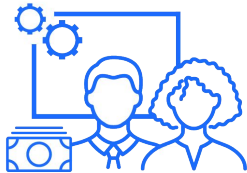
**SENTRAL**  
EDUCATION

**ZE**  
**GO**

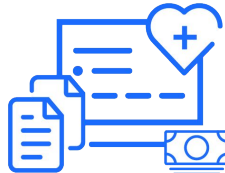
### POS software



### Human capital mgmt. and payroll



### Commerce enablement



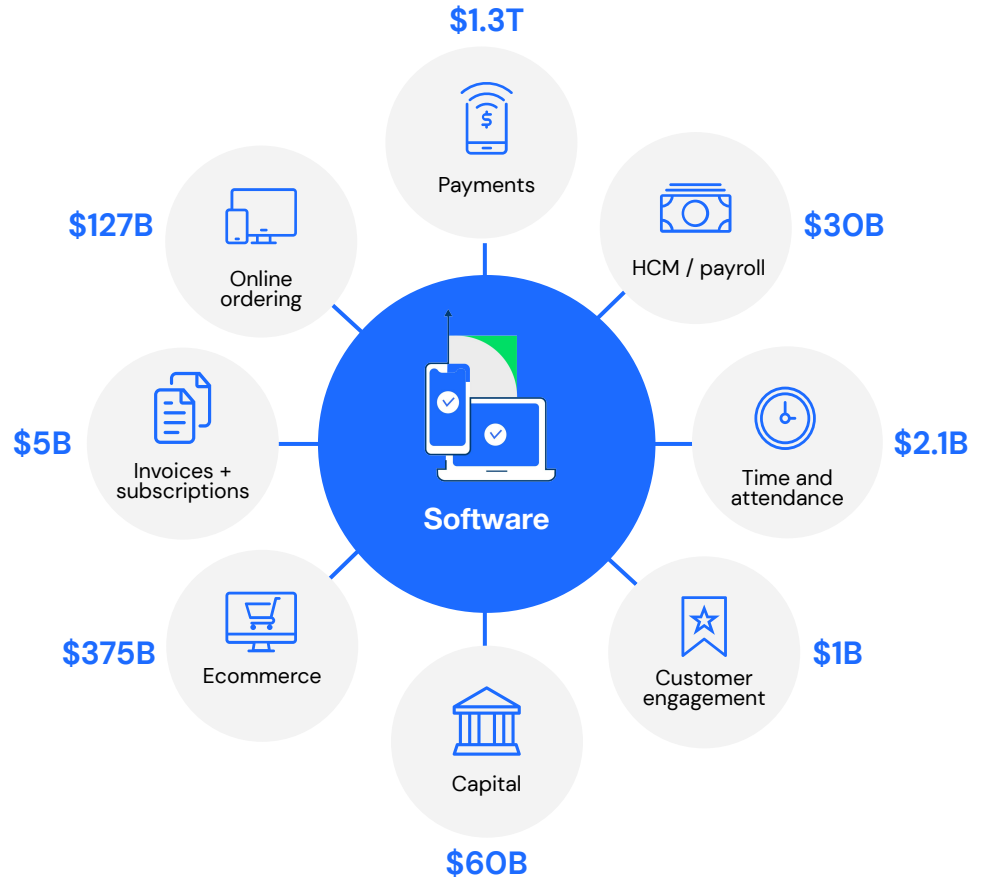
## Selected metrics

**8.4x**  
**LTV / CAC**

**115%**  
**Net Revenue**  
**Retention**

**\$290M**  
**LTM Bookings**

Commerce enablement increases **target addressable market** in the U.S. by 70%



# Run and grow my business innovation creates **seamless** **digital experiences**



# Distinctive **ecomm** and **omni** solutions



**SMB centric**  
—  
**Selective MNCs**

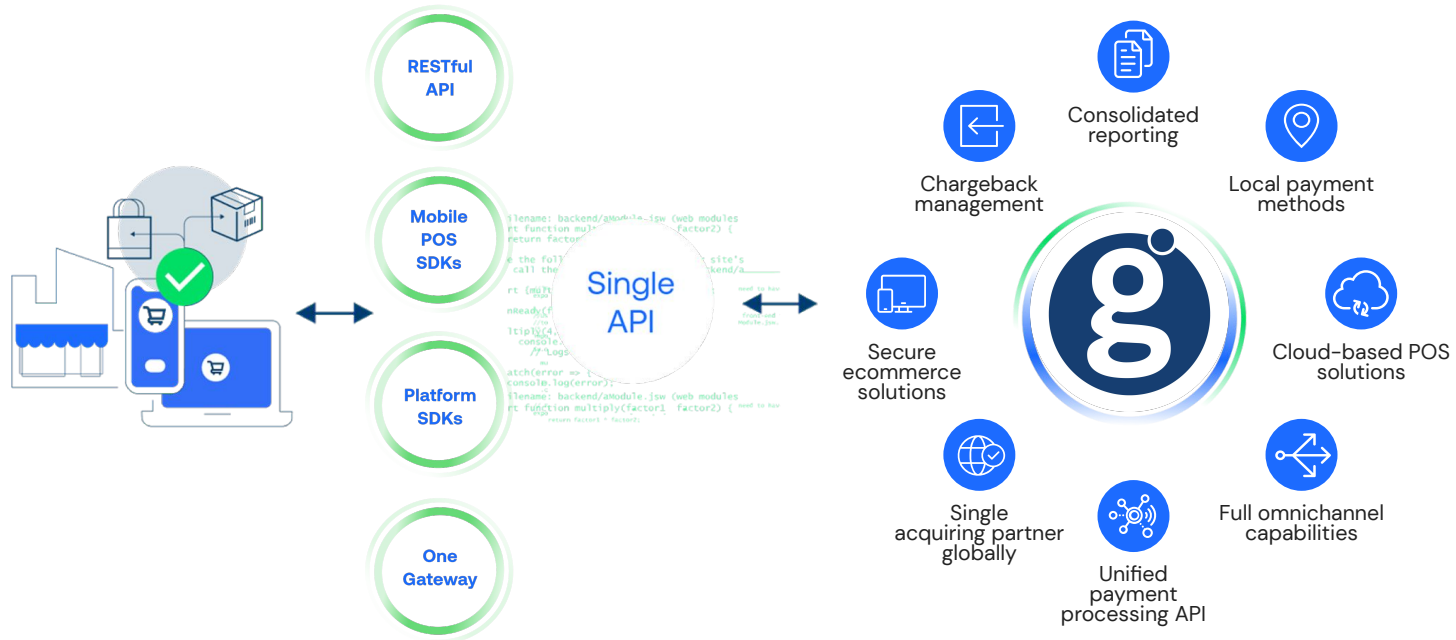


**One global**  
**solution**



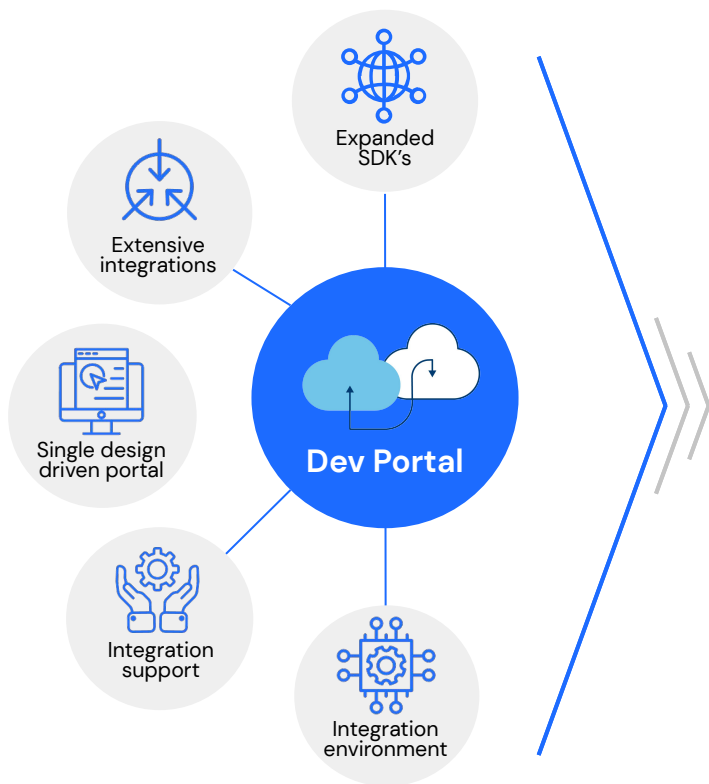
**Unrivaled local presence**  
—  
**Faster growth markets**

# Single API for simple, seamless integration





# Developer ecosystem



## Accelerating ecommerce growth...

- Investments in developer, partner and sales experience
- Investments in new integrations
- Business process optimization

## ...and strong business fundamentals

- Boarding 1K+ new ecomm accounts monthly in the U.S.
- 1200+ shopping cart and platform integrations
- 1200+ integrations partners
- Comprehensive portfolio of APIs and SDKs

# How we win



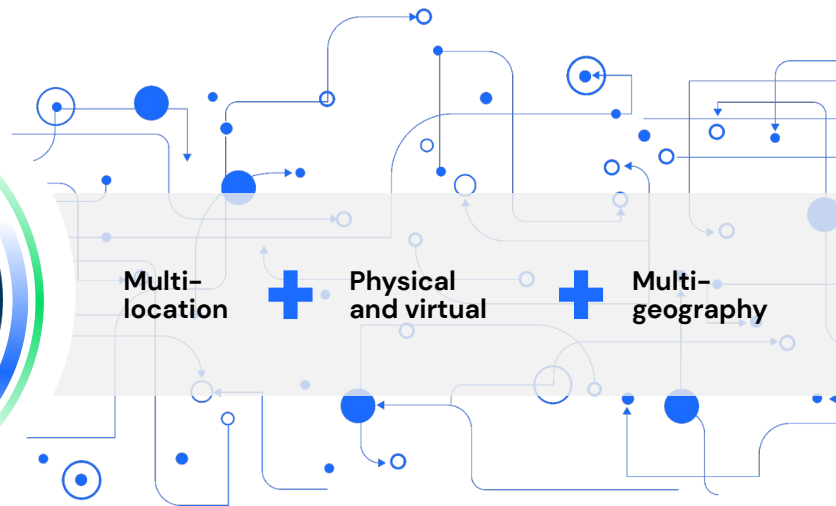
**Unparalleled suite of scalable software, payment and commerce solutions**



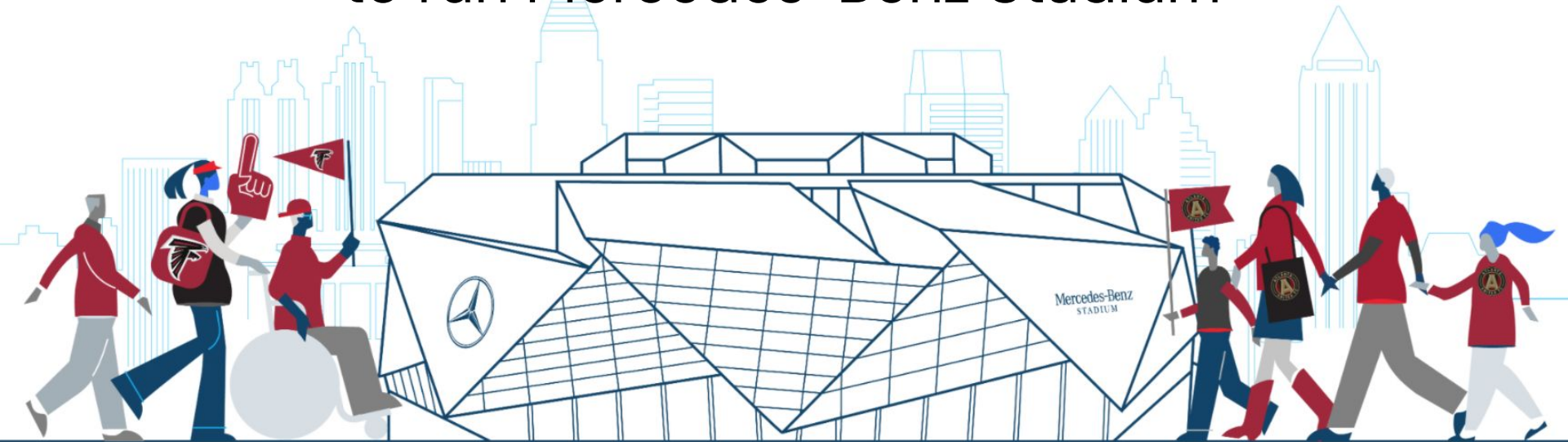
**Unmatched diversity and breadth of distribution**



**Best in class, localized service**



# Delivering the complex solutions to run Mercedes-Benz Stadium



# Merchant Solutions **disruptive innovation**

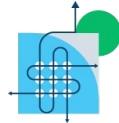
## Driving and defending disruption

### Software driven



Enabling new business models  
integration of software + payments

### Full omnichannel



Blending physical + virtual in more markets  
globally with local support

### Faster growth markets



Redefining markets with broad payment, software and commerce enablement solutions



SECTION 3

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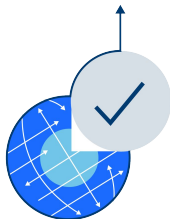
# Issuer Solutions

**Gaylon Jowers**

*Senior Executive Vice President and  
President, TSYS Issuer Solutions*

# Payment solutions for the **digital economy**

## Worldwide scale



**#1**

Market share in US,  
Canada, UK, Ireland

**>760M**

Accounts on file

**>26B**

Transactions

## Winning in the market



**\$2B**

Term value of contract  
renewals (TTM)

**>29M**

AOF in implementations  
pipeline

**>15 Years**

Average client tenure

# Solutions that are **fully digital**

## End-to-end

Credit, debit, prepaid and commercial payments

## 100% API-enabled

Open standard API's spanning the issuer value chain

## Virtual / instant issuance

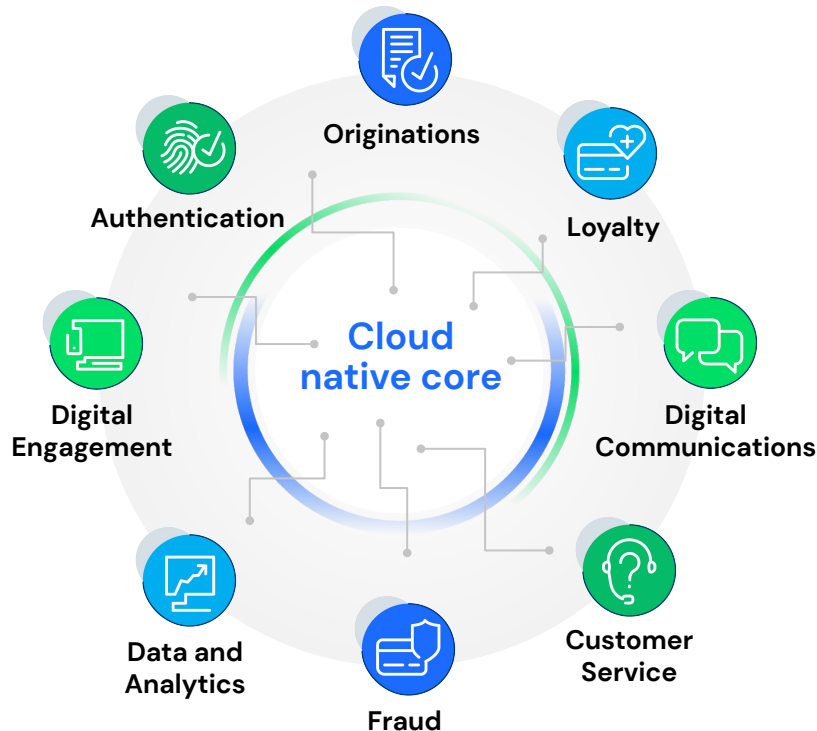
Instant wallet provisioning with advanced controls

## Payments-as-a-service

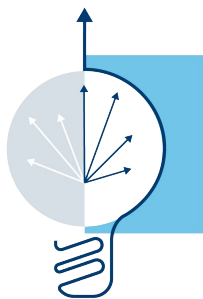
Empowering innovators at scale

## Unified commerce

Bridging digital and physical to create unified solutions



# A history of innovation



## 2012

Launched commercial virtual card functionality, with full lifecycle management capabilities

## >\$23B

Estimated TSYS-direct virtual card/automated payments

## 2014

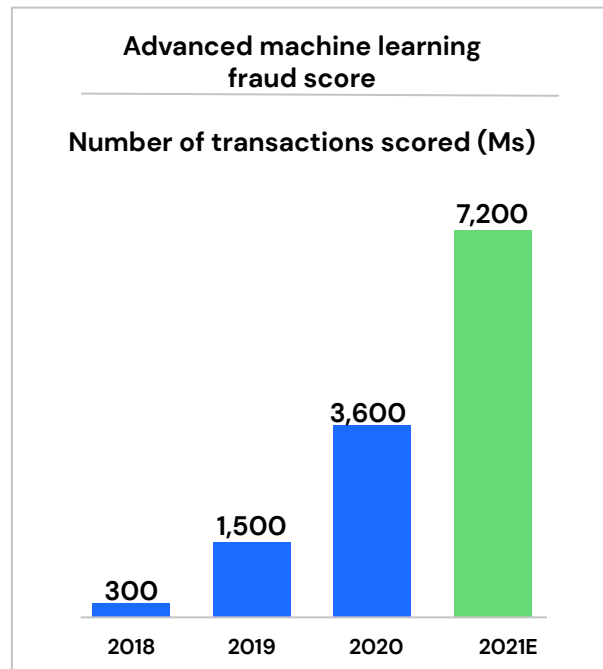
First third-party platform to support Apple Pay

## >7B

Scored transactions with advanced machine learning

## >128M

Monthly installment payment plans (BNPL)





# How we win



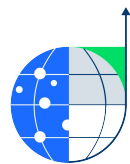
## End-to-end Issuer platform

- Credit, debit, prepaid
- Commercial payments
- Installments/BNPL
- Virtual accounts



## API-enabled, cloud native

- 100% API-enabled
- Microservices
- Intelligent workflows
- Instant issuance



## Full global capabilities

- 85+ countries
- AWS global coverage
- Cross-border expertise
- Regulatory localization



## Unmatched distribution

- Exclusive AWS collaboration
- PwC relationship
- #2 Program manager
- Millions of GPN merchants

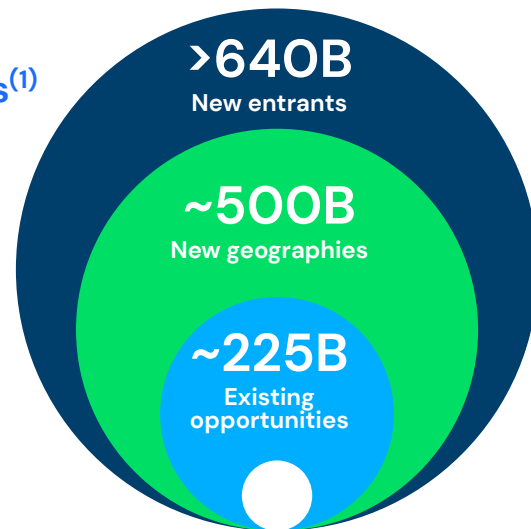
# Expanding opportunity set with AWS

## Collaborating to deliver leading issuer technologies

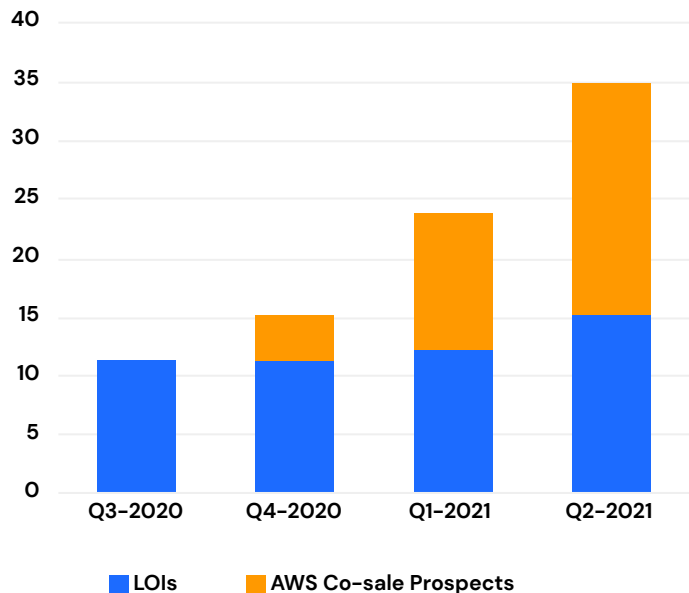
- Driving innovative payments solutions at scale worldwide in a secure cloud native environment
- Expanding Global Payments' addressable opportunities by leveraging AWS's customer relationships
- Enabling best-in-class digital experiences for Global Payments' customers and their cardholders
- Amazon and Global Payments will work together to explore additional opportunities for collaboration

## Dramatically expanding addressable opportunities<sup>(1)</sup>

Annual payment card transactions



# Growing pipelines



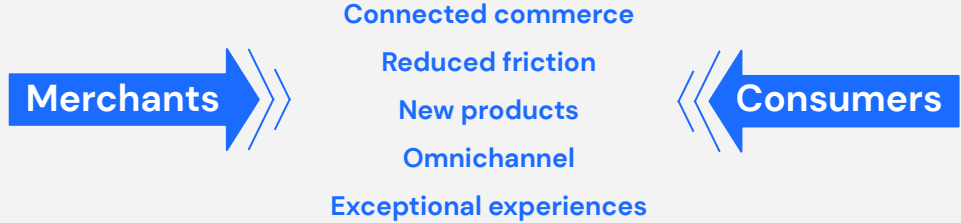
## Select fintechs and neobanks<sup>(1)</sup>

- Mercury Financial, Credit Challenger
- Mission Lane, Credit Challenger
- Marlette Funding, Credit Challenger
- Samsung, Virtual Account
- myFloc, Fintech/Elder care
- Porte, Neobank
- Ramsey Solutions, Neobank
- Fintech-Payments/BNPL
- Fintech-BNPL
- Fintech-Banking-as-a-Service
- Fintech-Healthcare Financing
- Fintech-Medical Practice Banking
- Cloud-based Core Banking
- Neobank/Credit Card
- Neobank/Thin File
- Neobank/ESG
- Credit Cards-as-a-Service
- Ride Sharing/Gig-Embedded Banking Solution
- Gaming-Embedded Account (multiple)

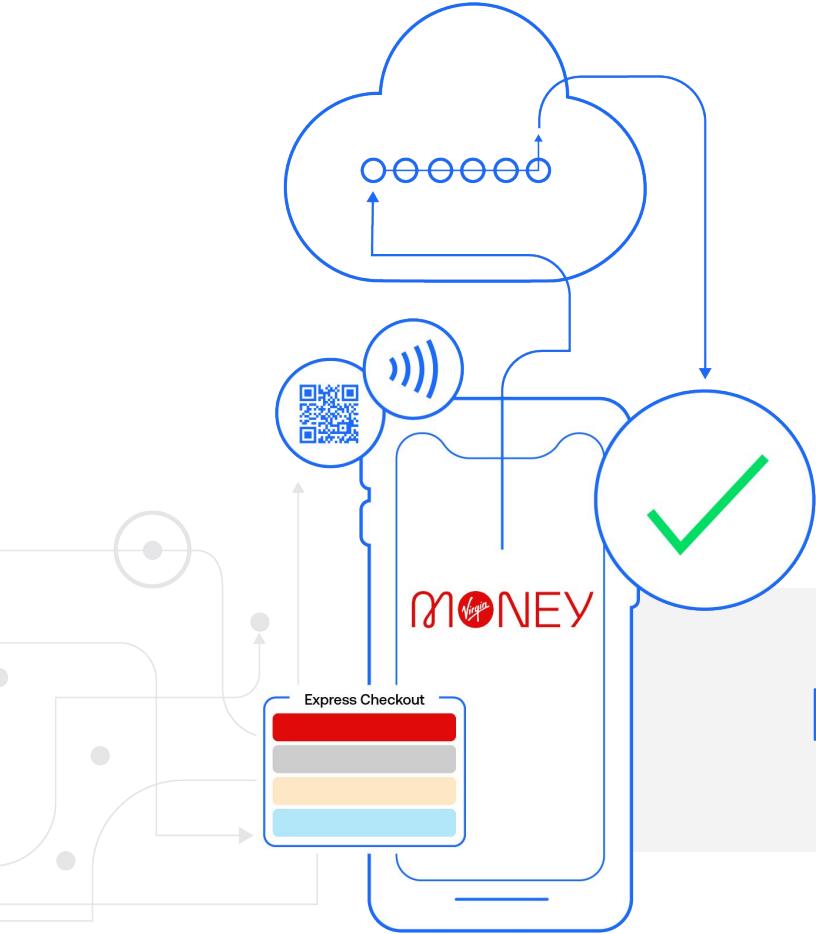
# Disrupting the status quo with **Virgin Money**

*Introducing a new “pay” proposition to the market*

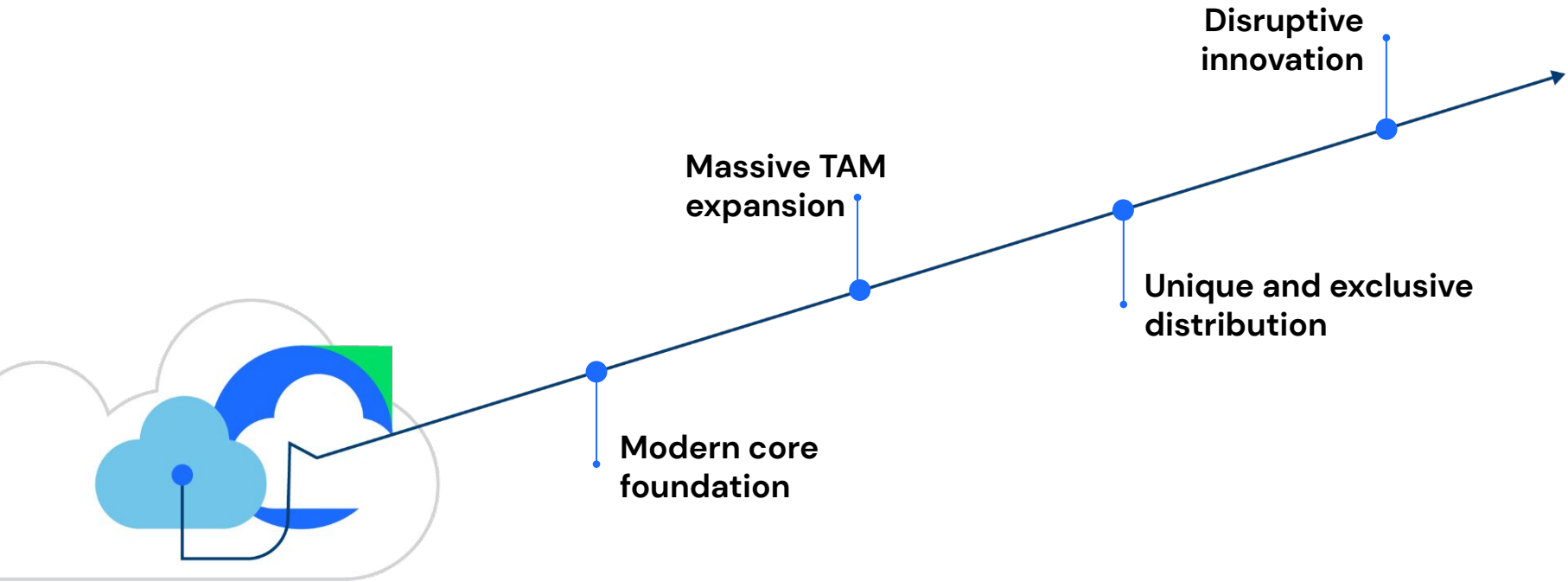
**Creating a two-sided ecosystem**



***Realizing transaction stream optimization***



# Accelerating **growth**





SECTION 4

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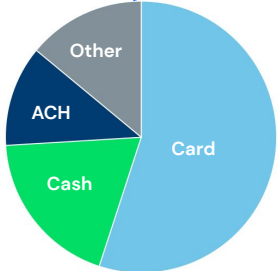
# B2B Strategy

**Josh Whipple**

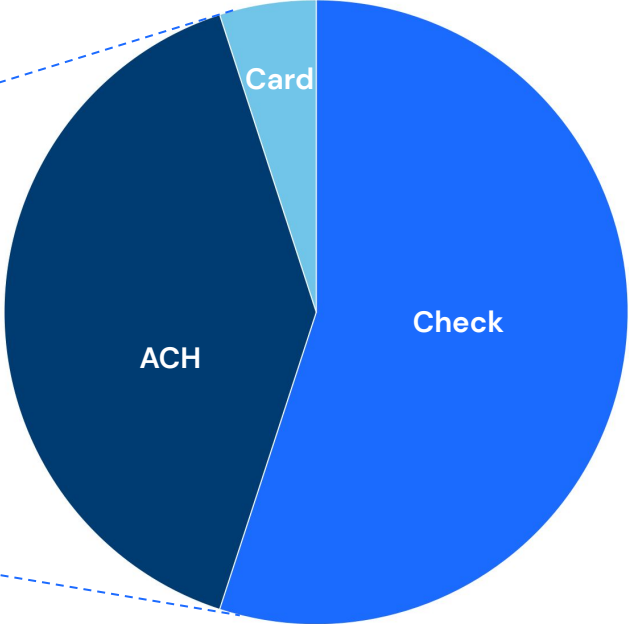
*Senior Executive Vice President, Chief Strategy  
and Enterprise Risk Officer*

# Massive B2B Target Addressable Market

Worldwide consumer  
payment flows  
**\$30T**



**B2B is >4x larger  
and  
under-digitized**



**>280B**  
Worldwide Invoices<sup>(1)</sup>

Worldwide B2B  
payment flows<sup>(2)</sup>  
**\$125T**

# End-to-end B2B payments capabilities



**Extensive ERP** integrations

Real-time **APIs**

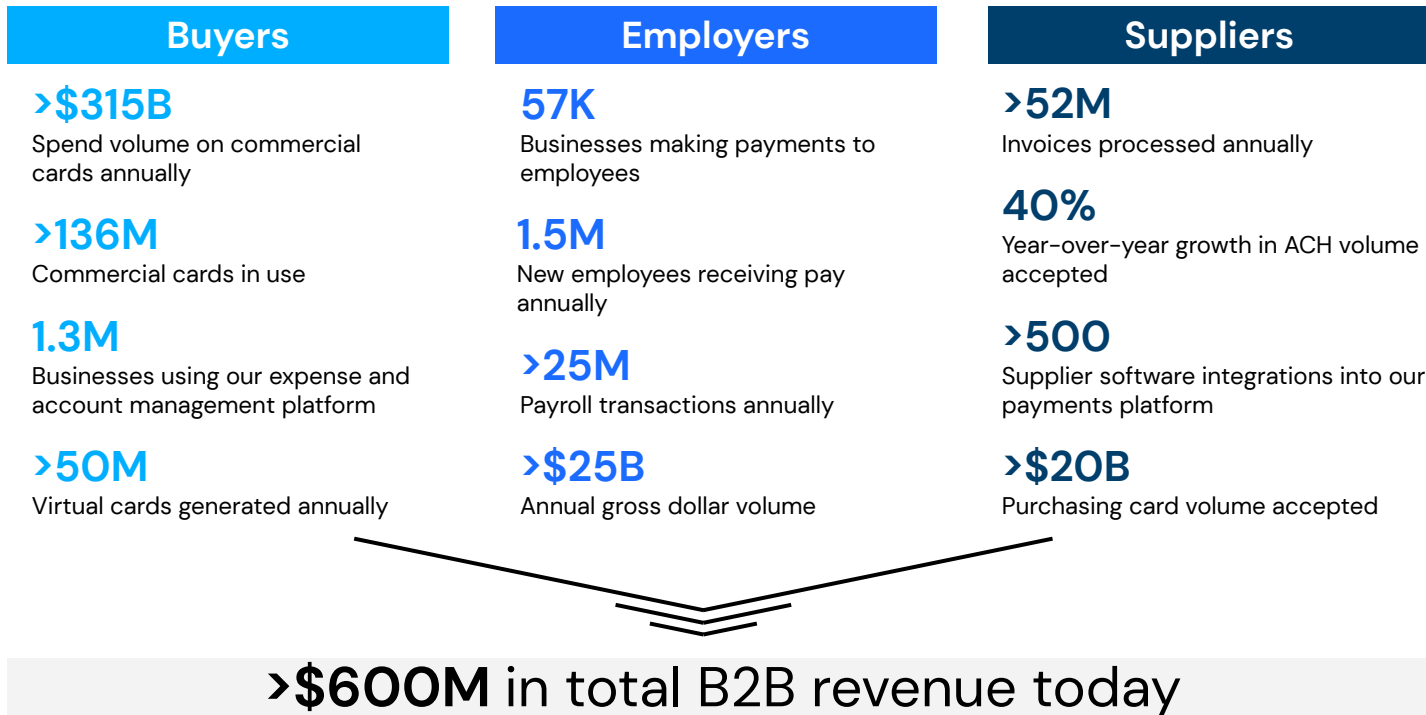
**Cloud** native

**Leading Provider** of issuer technologies

**Worldwide** reach and scale



# B2B scale across all capabilities



# MineralTree at a glance

## Key business statistics

>\$18B

Monetized payments volume

>60%

Organic growth in monetized payments volume

>\$110B

Captive payments volume opportunity

2,200

Active customers

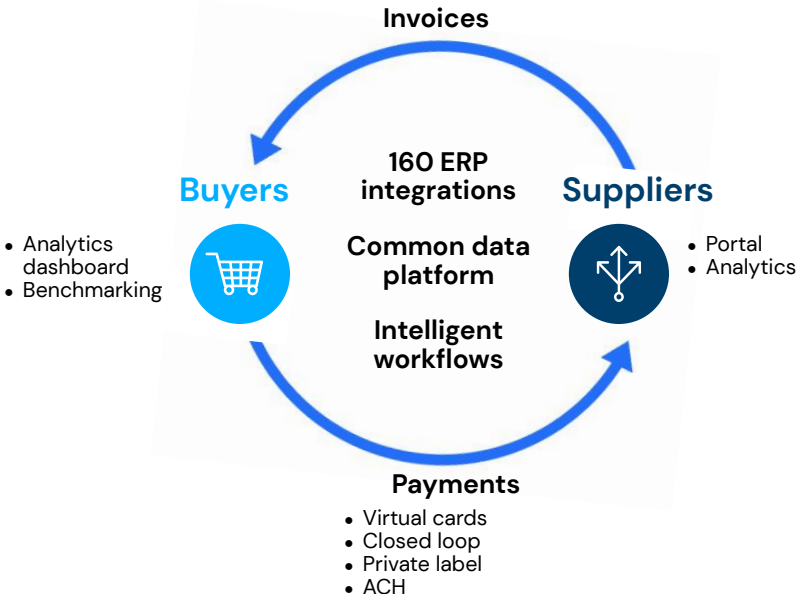
17M

Invoices processed per year

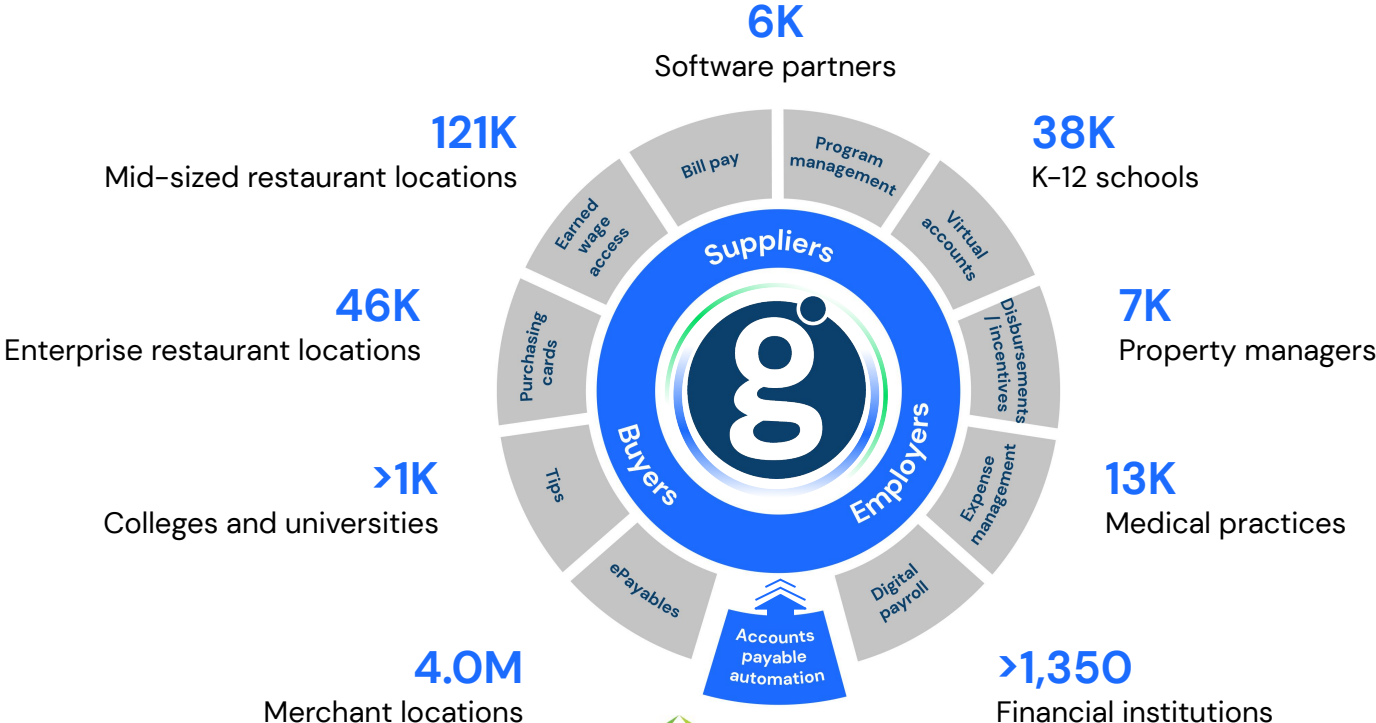
>30

Bank reseller partners

## A powerful ecosystem



# Unique multinational **B2B ecosystem**





SECTION 5

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# Financial Outlook

**Paul Todd**

*Senior Executive Vice President and  
Chief Financial Officer*

# Unique model

Strategic positioning

Growth markets centric

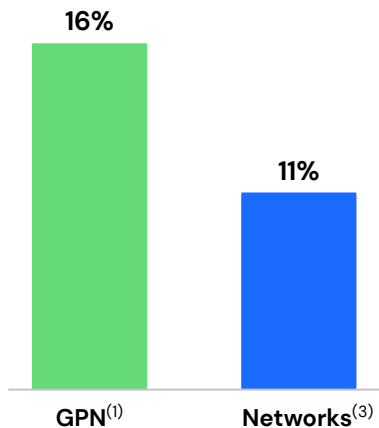
Execution excellence



- Faster growth
- Leading margin expansion
- Superior earnings resiliency
- Strong and consistent cash flow conversion for investment

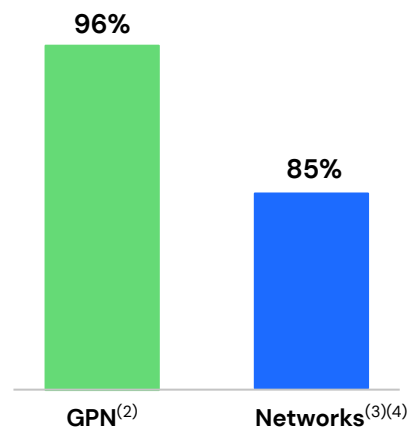
# Superior earnings resiliency

## 2019 – 2022E Adj. EPS CAGR



Continuing to deliver on adjusted EPS growth targets

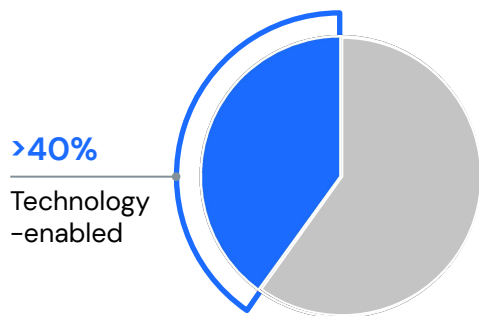
## 2022E Adj. EPS Recovery



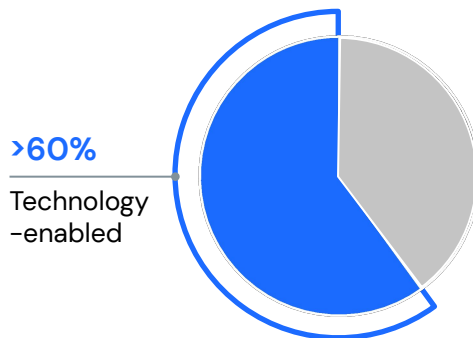
Returning to pre pandemic earnings trajectory

# Accelerating the business mix shift

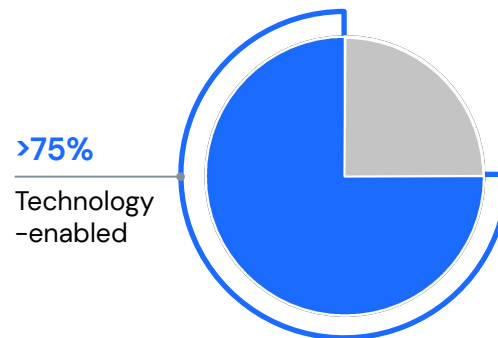
2017



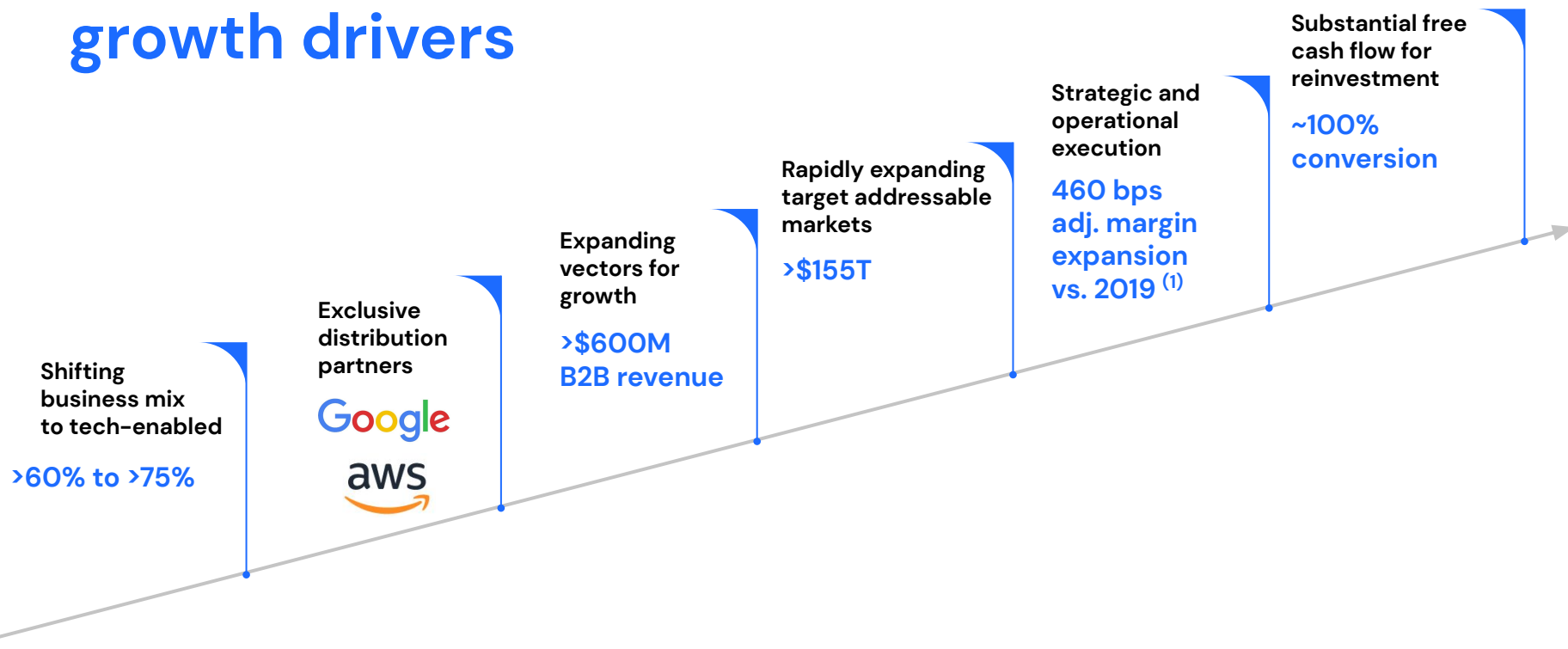
2020



Next cycle



# Differentiated growth drivers



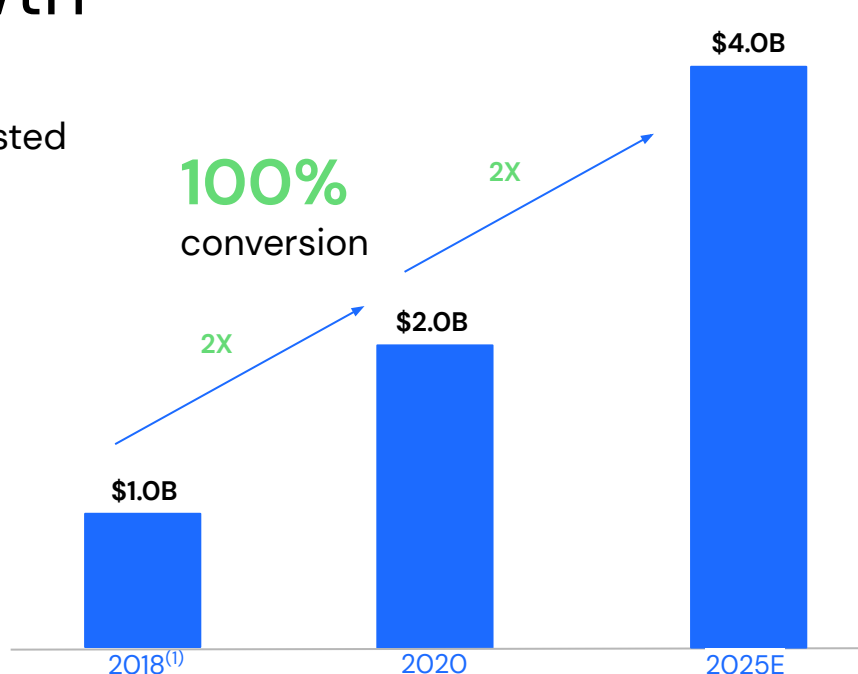


# Raising cycle guidance

	<b>Prior cycle guidance</b>	<b>New cycle guidance</b>
<b>Adjusted net revenue</b>	High single digit to low double digit growth	Low double digit growth
<b>Adjusted operating margins</b>	Expanding up to 50 bps annually	Expanding 50 - 75 bps annually
<b>Adjusted earnings per share</b>	Mid to high teens growth	High teens to 20% growth

# Strong capital capacity for growth

Projected adjusted free cash flow



**\$15B**

Cumulative adjusted free cash flow 2021-2025



**\$13B**

Debt capacity



**~\$28B**

Capital capacity for growth

(1) Adjusted FCF figure represent only legacy GPN for 2018 period  
Adjusted FCF projections estimated at 100% of adjusted net income projections  
Debt capacity represents available debt to maintain leverage ratio below 3.0 times  
Leverage ratio is defined as net debt divided by trailing twelve month consolidated EBITDA, each as calculated under the terms of the Company's Credit Agreement, dated July 9, 2019



SECTION 6

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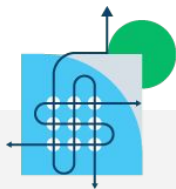
# Summary

**Jeff Sloan**  
*Chief Executive Officer*

# Successful strategy across cycles



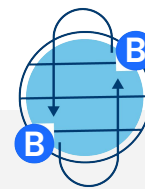
Software driven



Full Ecomm omnichannel



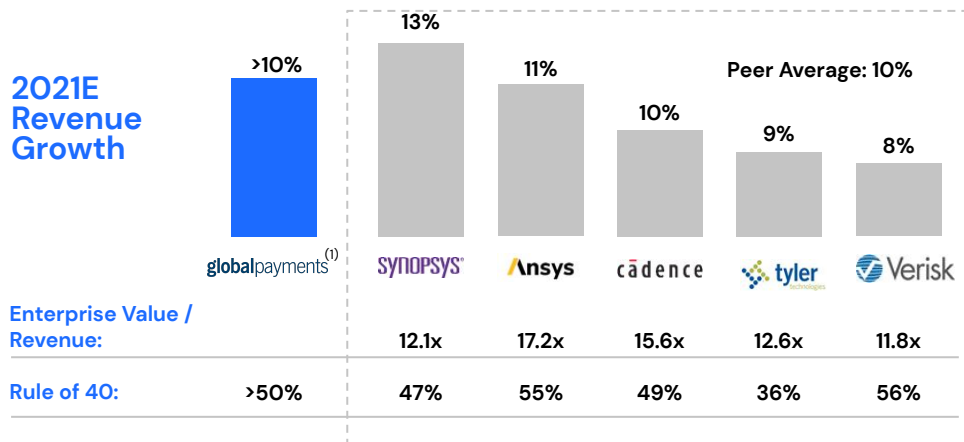
Faster growth markets



B2B

# Leading software and ecomm positions

## Leading vertical software companies<sup>(2)</sup>



Source:

(1) Global Payments figures represent data for its vertical software businesses

(2) Vertical software peer estimates per FactSet, Wall Street research and public filings, as of August 27, 2021

## Merchant ecomm revenue

	2021E Revenue	% Total
globalpayments	\$1.4B	27%
Competitor 1 <sup>(1)(2)</sup>	\$1.2B	25%
Competitor 2 <sup>(1)(2)</sup>	\$1.2B	20%
Competitor 3 <sup>(1)(3)</sup>	\$1.1B	90%
Competitor 4 <sup>(4)</sup>	\$0.5B	20%

Sources:

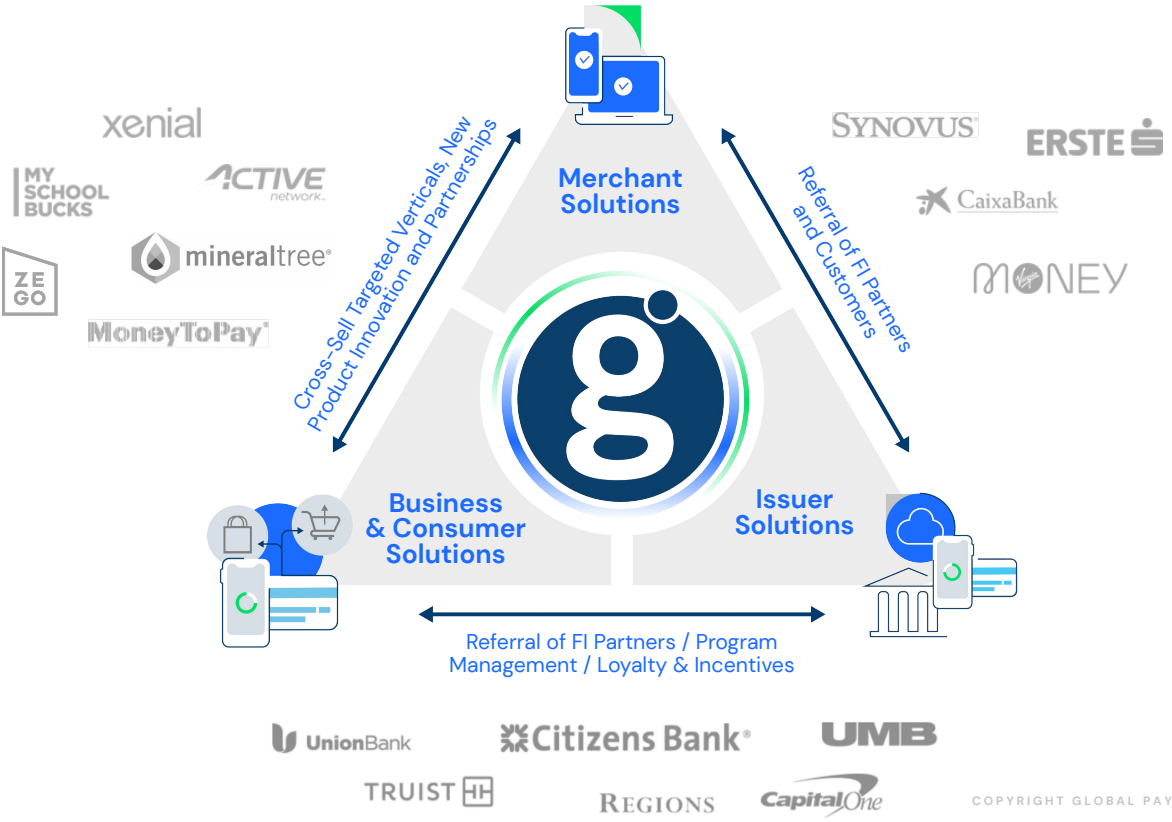
(1) 2021E merchant revenue based on Factset consensus multiplied by ecomm percentage estimate

(2) Credit Suisse Equity Research

(3) Per company's public filings

(4) Wolfe Equity Research

# Unique ecosystem driving growth





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# Appendix

## Non-GAAP Financial Measures

Global Payments supplements revenues, income, operating income, operating margin, EPS and net operating cash flows determined in accordance with U.S. GAAP by providing these measures with certain adjustments (such measures being non-GAAP financial measures) in this document to assist with evaluating our performance. In addition to GAAP measures, management uses these non-GAAP financial measures to focus on the factors the company believes are pertinent to the daily management of our operations. Management believes adjusted net revenue more closely reflects the economic benefits to the company's core business and allows for better comparisons with industry peers. Management uses these non-GAAP financial measures, together with other metrics, to set goals for and measure the performance of the business and to determine incentive compensation. Adjusted net revenue, adjusted operating income, adjusted operating margin, adjusted net income, adjusted EPS and adjusted free cash flow should be considered in addition to, and not as substitutes for, revenues, operating income, net income and EPS determined in accordance with GAAP. The non-GAAP financial measures reflect management's judgment of particular items, and may not be comparable to similarly titled measures reported by other companies.

Adjusted net revenue excludes gross-up related payments associated with certain lines of business to reflect economic benefits to the company. On a GAAP basis, these payments are presented gross in both revenues and operating expenses.

Adjusted operating income, adjusted net income and adjusted EPS exclude acquisition-related amortization expense, share-based compensation expense, acquisition and integration expense and certain other items, such as unusual, direct and discrete costs due to the global pandemic, specific to each reporting period. Adjusted operating margin is derived by dividing adjusted operating income by adjusted net revenue. The tax rate used in determining the income tax impact of earnings adjustments is either the jurisdictional statutory rate in effect at the time of the adjustment or the jurisdictional expected annual effective tax rate for the period, depending on the nature and timing of the adjustment.

Management believes adjusted free cash flow is a useful measure of the company's ability to service debt, return capital to shareholders, invest in the business and demonstrate value creation of our underlying operations. Adjusted free cash flow, a non-GAAP measure, is calculated as net operating cash flows, excluding the impact of settlement processing assets and obligations and acquisition and integration expenses, less capital expenditures and distributions to non-controlling interests. Our measure of adjusted free cash flow reflects management's judgment of particular items and may not be comparable to similarly titled measures reported by other companies.

### Long-Term Targets

We are not able to reconcile our long-term targets for adjusted net revenue, adjusted operating margin, adjusted EPS and adjusted free cash flow to our long-term projections for the most directly comparable GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes to the business and global economy, the exact timing of acquisitions, and the aforementioned risks and uncertainties in this statement.



## Reconciliation of Non-GAAP Financial Measures – 2021 Outlook Summary (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In billions, except per share data)

	2020	2021 Outlook	% Change
<b>Revenues:</b>			
GAAP Revenues	\$7.424	\$8.450 to \$8.480	13% to 14%
Adjustments <sup>(1)</sup>	(0.676)	(0.750)	
Adjusted Net Revenue	<u>\$6.748</u>	<u>\$7.700 to \$7.730</u>	<u>14% to 15%</u>
<b>Earnings Per Share:</b>			
GAAP diluted EPS	\$1.95	\$3.67 to \$3.80	88% to 95%
Adjustments <sup>(2)</sup>	4.45	4.40	
Adjusted diluted EPS	<u>\$6.40</u>	<u>\$8.07 to \$8.20</u>	<u>26% to 28%</u>

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefit to the company. Amounts also include adjustments to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> Adjustments to 2020 GAAP diluted EPS include the removal of 1) software-related contract liability adjustments described above of \$0.03, 2) acquisition related amortization expense of \$3.20, 3) share-based compensation expense of \$0.38, 4) acquisition and integration expense of \$0.82, 5) other items, inclusive of employee termination benefits and other incremental charges directly related to COVID-19, of \$0.13, 6) gain associated with the fair value of common shares received from the conversion of certain Visa Inc. preferred shares of \$0.07, 7) equity method investment earnings from our interest in a private equity investment fund of \$0.11, 8) loss associated with the partial sale of an ownership position in a strategic partner of \$0.02 and 9) discrete tax items of \$0.05. Adjustments to 2020 GAAP diluted EPS include the effect on noncontrolling interests and income taxes, as applicable.

## Reconciliation of Non-GAAP Financial Measures – Adjusted Earnings Per Share (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Three Months Ended June 30, 2021				
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 263,590	\$ 1,278	\$ 421,774	\$ (83,637)	\$ 603,004
Diluted earnings per share attributable to Global Payments	\$ 0.89				\$ 2.04
Diluted weighted average shares outstanding	296,139				296,139

	Three Months Ended March 31, 2021				
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 196,681	\$ 1,749	\$ 450,935	\$ (108,002)	\$ 541,363
Diluted earnings per share attributable to Global Payments	\$ 0.66				\$ 1.82
Diluted weighted average shares outstanding	297,671				297,671

	Three Months Ended December 31, 2020				
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 182,643	\$ 2,378	\$ 460,250	\$ (104,748)	\$ 540,523
Diluted earnings per share attributable to Global Payments	\$ 0.61				\$ 1.80
Diluted weighted average shares outstanding	300,493				300,493

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended June 30, 2021, includes \$1.3 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> For the three months ended June 30, 2021, earnings adjustments to operating income included \$324.7 million in cost of services (COS) and \$121.6 million in selling, general and administrative expenses (SG&A). Adjustments to COS represent amortization of acquired intangibles of \$324.7 million. Adjustments to SG&A include share-based compensation expense of \$43.3 million and acquisition and integration expenses of \$78.3 million. Net income attributable to Global Payments also reflects the removal of \$23.8 million of equity method investment earnings from our interest in a private equity investment fund.

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended March 31, 2021, includes \$1.7 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> For the three months ended March 31, 2021, earnings adjustments to operating income include \$329.2 million in COS and \$128.9 million in SG&A expenses. Adjustments to COS represent amortization of acquired intangibles of \$329.2 million. Adjustments to SG&A include share-based compensation expense of \$37.2 million and acquisition and integration expenses of \$91.7 million. Net income attributable to Global Payments also reflects the removal of \$6.3 million of equity method investment earnings from our interest in a private equity investment fund.

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended December 31, 2020, includes \$2.4 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> For the three months ended December 31, 2020, earnings adjustments to operating income include \$317.4 million in COS and \$154.9 million in SG&A expenses. Adjustments to COS include amortization of acquired intangibles of \$315.3 million and \$2.1 million of other items. Adjustments to SG&A include share-based compensation expense of \$43.7 million, acquisition and integration expenses of \$105.8 million and \$5.4 million of other items. Other items included in COS and SG&A include employee termination benefits and other incremental charges directly related to COVID-19. Net income attributable to Global Payments also reflects the removal of \$10.8 million of equity method investment earnings from our interest in a private equity investment fund.

Additional quarterly adjusted eps information can be found at [Global Payments Inc](https://www.globalpayments.com)  
**globalpayments**

## Reconciliation of Non-GAAP Financial Measures – Adjusted Earnings Per Share (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Three Months Ended September 30, 2020				
	GAAP	Net Revenue Adjustments <sup>(a)</sup>	Earnings Adjustments <sup>(a)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 220,971	\$ 2,555	\$ 375,340	\$ (85,110)	\$ 513,756
Diluted earnings per share attributable to Global Payments	\$ 0.74				\$ 1.71
Diluted weighted average shares outstanding	300,491				300,491

	Three Months Ended June 30, 2020				
	GAAP	Net Revenue Adjustments <sup>(a)</sup>	Earnings Adjustments <sup>(a)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 37,331	\$ 2,685	\$ 452,443	\$ (98,146)	\$ 394,313
Diluted earnings per share attributable to Global Payments	\$ 0.12				\$ 1.31
Diluted weighted average shares outstanding	300,246				300,246

	Three Months Ended March 31, 2020				
	GAAP	Net Revenue Adjustments <sup>(a)</sup>	Earnings Adjustments <sup>(a)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 143,575	\$ 2,899	\$ 432,941	\$ (105,568)	\$ 473,847
Diluted earnings per share attributable to Global Payments	\$ 0.48				\$ 1.58
Diluted weighted average shares outstanding	300,838				300,838

<sup>(a)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended September 30, 2020, includes \$2.6 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(b)</sup> For the three months ended September 30, 2020, earnings adjustments to operating income included \$317.3 million in cost of service (COS) and \$107.4 million in selling, general and administrative expenses (SG&A). Adjustments to COS include \$313.4 million of amortization of acquired intangibles and \$3.9 million of other items. Adjustments to SG&A include \$42.3 million of share-based compensation expense, \$59.8 million of acquisition and integration expenses and \$5.3 million of other items. Other items included in COS and SG&A include employee termination benefits and other incremental charges directly related to COVID-19. Net income attributable to Global Payments also reflects the removal of a \$27.3 million gain associated with the fair value of shares received from the conversion of certain Visa Inc. preferred shares and the removal of \$23.1 million of equity method investment earnings from our interest in a private equity investment fund.

<sup>(a)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended June 30, 2020, includes \$2.7 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(b)</sup> For the three months ended June 30, 2020, earnings adjustments to operating income included \$328.3 million in COS and \$123.6 million in SG&A expenses. Adjustments to COS represent amortization of acquired intangibles of \$314.4 million, \$2.9 million of acquisition and integration expenses and \$11.0 million of other items. Adjustments to SG&A include share-based compensation expense of \$35.0 million, acquisition and integration expenses of \$82.2 million and other items of \$6.4 million. Other COS and SG&A items include employee termination benefits and other incremental charges directly related to COVID-19. Net income attributable to Global Payments also reflects the removal of a \$2.0 million loss associated with the partial sale of an ownership position in a strategic partner.

<sup>(a)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended March 31, 2020, includes \$2.9 million, to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(b)</sup> For the three months ended March 31, 2020, earnings adjustments to operating income included \$320.3 million in COS and \$107.5 million in SG&A expenses. Adjustments to COS include \$314.8 million of amortization of acquired intangibles and \$5.5 million of other items. Adjustments to SG&A include \$27.8 million of share-based compensation expense, \$71.6 million of acquisition and integration expenses and \$8.1 million of other items. Other items included in COS and SG&A include employee termination benefits and other incremental charges directly related to COVID-19. Net income attributable to Global Payments also reflects the removal of a \$6.7 million loss associated with the partial sale of an ownership position in a strategic partner.

Additional quarterly adjusted eps information can be found at [Global Payments Inc](https://www.globalpayments.com)  
**globalpayments**

## Reconciliation of Non-GAAP Financial Measures – Adjusted Earnings Per Share (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Three Months Ended December 31, 2019				
	GAAP	Net Revenue Adjustments <sup>(a)</sup>	Earnings Adjustments <sup>(a)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 102,770	\$ 2,708	\$ 485,041	\$ (101,901)	\$ 488,618
Diluted earnings per share attributable to Global Payments	\$ 0.34				\$ 1.62
Diluted weighted average shares outstanding	302,342				302,342

	Three Months Ended September 30, 2019				
	GAAP	Net Revenue Adjustments <sup>(a)</sup>	Earnings Adjustments <sup>(a)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 95,044	\$ 4,002	\$ 293,132	\$ (91,072)	\$ 301,106
Diluted earnings per share attributable to Global Payments	\$ 0.54				\$ 1.70
Diluted weighted average shares outstanding	117,543				177,543

<sup>(a)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended December 31, 2019, includes \$2.7 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(b)</sup> For the three months ended December 31, 2019, earnings adjustments to operating income include \$351.6 million in cost of services (COS) and \$139.7 million in selling, general and administrative expenses (SG&A). Adjustments to COS include amortization of acquired intangibles of \$322.2 million and acquisition and integration expenses of \$29.4 million. Adjustments to SG&A include share-based compensation expense of \$33.8 million and acquisition and integration expenses of \$105.9 million. Net income attributable to Global Payments also reflects the removal of a \$4.4 million gain related to the partial sale of our investment in Brazil.

<sup>(a)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended September 30, 2019, includes \$4.0 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(b)</sup> For the three months ended September 30, 2019, earnings adjustments to operating income included \$145.5 million in COS and \$118.2 million in SG&A expenses. Adjustments to COS include amortization of acquired intangibles of \$135.0 million and acquisition and integration expenses of \$10.5 million. Adjustments to SG&A include share-based compensation expense of \$27.9 million and acquisition and integration expenses of \$90.4 million.

Net income attributable to Global Payments also reflects the removal of \$31.4 million in charges from interest expense associated with the financing of the merger with TSYS. These include fees related to the bridge facility the company entered into to support the merger financing, the write-off of debt issuance fees in connection with the refinancing of our credit facility and interest expense on new secured senior notes attributable to the period between issuance and merger close, net of interest income earned from these funds while in escrow.

## Reconciliation of Non-GAAP Financial Measures – Adjusted Earnings Per Share (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Three Months Ended June 30, 2019				
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 120,458	\$ 4,234	\$ 135,643	\$ (23,505)	\$ 236,830
Diluted earnings per share attributable to Global Payments	\$ 0.77				\$ 1.51
Diluted weighted average shares outstanding	157,262				157,262

	Three Months Ended March 31, 2019				
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 112,341	\$ 4,407	\$ 122,733	\$ (27,383)	\$ 212,098
Diluted earnings per share attributable to Global Payments	\$ 0.71				\$ 1.34
Diluted weighted average shares outstanding	158,018				158,018

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended June 30, 2019, includes \$4.2 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> For the three months ended June 30, 2019, earnings adjustments to operating income included \$105.2 million in cost of service (COS) and \$29.5 million in selling, general and administrative expenses (SG&A). Adjustments to COS include amortization of acquired intangibles of \$104.1 million and acquisition and integration expenses of \$11 million. Adjustments to SG&A include share-based compensation expense of \$16.5 million, acquisition and integration expenses of \$13.0 million, including costs related to the proposed merger with TSYS. Net income attributable to Global Payments also reflects an adjustment to remove a \$2.9 million charge to interest expense associated with the bridge facility the company entered into in connection with the proposed TSYS merger.

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the three months ended March 31, 2019, includes \$4.4 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> For the three months ended March 31, 2019, earnings adjustments to operating income include \$108.8 million in COS and \$15.9 million in SG&A expenses. Adjustments to COS include amortization of acquired intangibles of \$108.0 million and acquisition and integration expenses of \$0.8 million. Adjustments to SG&A include share-based compensation expense of \$11.4 million and acquisition and integration expenses of \$4.5 million.

## Reconciliation of Non-GAAP Financial Measures – Adjusted Earnings Per Share (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Year Ended December 31, 2019				
	GAAP	Net Revenue Adjustments <sup>(1)</sup>	Earnings Adjustments <sup>(2)</sup>	Income Taxes on Adjustments	Non-GAAP
Net income attributable to Global Payments	\$ 430,613	\$ 15,351	\$ 1,036,550	\$ (243,861)	\$ 1,238,653
Diluted earnings per share attributable to Global Payments	\$ 2.16				\$ 6.22
Diluted weighted average shares outstanding	199,134				199,134

<sup>(1)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the twelve months ended December 31, 2019, includes \$15.4 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.

<sup>(2)</sup> For the year ended December 31, 2019, earnings adjustments to operating income include \$711.1 million in COS and \$303.4 million in SG&A. Adjustments to COS include amortization of acquired intangibles of \$669.3 million and acquisition and integration expenses of \$41.8 million. Adjustments to SG&A include share-based compensation expense of \$89.6 million and acquisition and integration expenses of \$213.8 million.

Net income attributable to Global Payments also reflects the removal of \$34.3 million in charges from interest expense in connection with the merger with TSYS. These include fees related to the bridge facility the company entered into, the write-off of debt issuance fees in connection with the refinancing of our credit facility and interest expense on new senior notes attributable to the period between issuance and merger close, net of interest income earned from these notes while in escrow. Also includes the removal of a \$4.4 million gain related to the partial sale of our investment in Brazil.

## Reconciliation of Non-GAAP Financial Measures – Combined Company 2019 (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands)

Year Ended December 31, 2019

	GAAP	TSYS <sup>(1)</sup>	Net Revenue Adjustments <sup>(2)</sup>	Earnings Adjustments <sup>(3)</sup>	Non-GAAP
Revenue	\$ 4,911,892	\$ 2,950,925	\$ (742,312)	\$ -	\$ 7,120,505
Operating Income	\$ 791,417	\$ 557,292	\$ 15,351	\$ 1,312,015	\$ 2,676,075

- <sup>(1)</sup> Represents TSYS financial information determined in accordance with GAAP applied by TSYS, net of revenues between legacy Global Payments and TSYS considered intercompany revenue following the merger.
- <sup>(2)</sup> Represents adjustments to revenues for gross-up related payments (included in operating expenses) associated with certain lines of business to reflect economic benefits to the company. For the twelve months ended December 31, 2019, includes \$15.4 million to eliminate the effect of acquisition accounting fair value adjustments for software-related contract liabilities associated with acquired businesses.
- <sup>(3)</sup> For the year ended December 31, 2019, earnings adjustments to operating income include \$711.1 million in COS and \$303.4 million in SG&A. Adjustments to COS include amortization of acquired intangibles of \$669.3 million and acquisition and integration expenses of \$41.8 million. Adjustments to SG&A include share-based compensation expense of \$89.6 million and acquisition and integration expenses of \$213.8 million.

## Reconciliation of Non-GAAP Financial Measures – Adjusted Earnings Per Share (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Year Ended May 31, 2013		
	GAAP	Earnings Adjustments <sup>(1)</sup>	Non-GAAP
Net income attributable to Global Payments	\$ 216,125	\$ 69,291	\$ 285,416
Diluted earnings per share attributable to Global Payments	\$ 2.76	\$ 0.89	\$ 3.65
Diluted weighted average shares outstanding	78,277		78,227

<sup>(1)</sup> Represents adjustments to cost of service to exclude acquisition intangible amortization expense from net income and the related income tax benefit (\$34.5M); cost related to processing system remediation (\$24.9M); and one-time charges related to employee termination benefits and certain contract settlement and related costs (\$9.9M).

Figures shown above do not include the impact of a 2:1 stock split in November 2015.  
Fiscal year-end changed from May 31 to December 31, effective December 31, 2016.



## Reconciliation of Non-GAAP Financial Measures – Adjusted Free Cash Flow (unaudited)

GLOBAL PAYMENTS INC. AND SUBSIDIARIES

(In millions)

	Adjusted Free Cash Flow	
	2018	2020
Cash flow from operating activities	\$ 1,106	\$ 2,314
Changes in settlement processing assets and obligations, net	(84)	(126)
Acquisition and integration expenses	56	322
Capital expenditures	(213)	(436)
Distributions to noncontrolling interests	(6)	(26)
<b>Total Adjusted Free Cash Flow</b>	<b>\$ 860</b>	<b>\$ 2,048</b>