

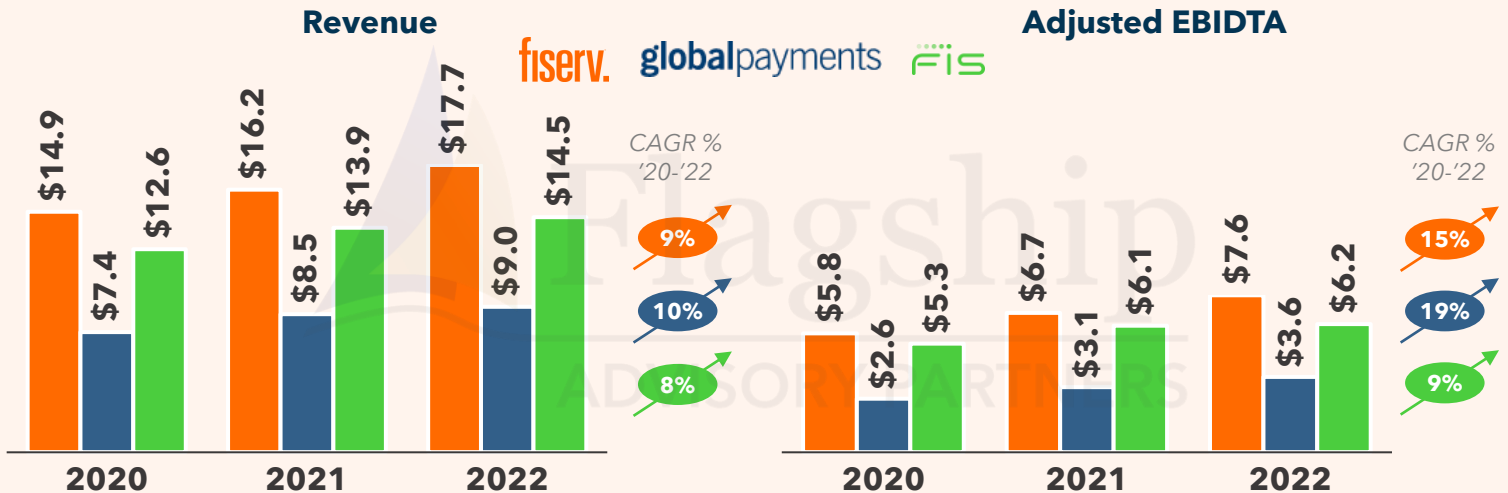
fiserv. 2022 Results: Solid Growth, Profitability, and Merchant Performance

FIS recently announced plans to divest Worldpay. In contrast, Fiserv's acquisition of First Data appears to be performing well based on our review of Fiserv's 2022 results.

Fiserv 2022 Performance Highlights:

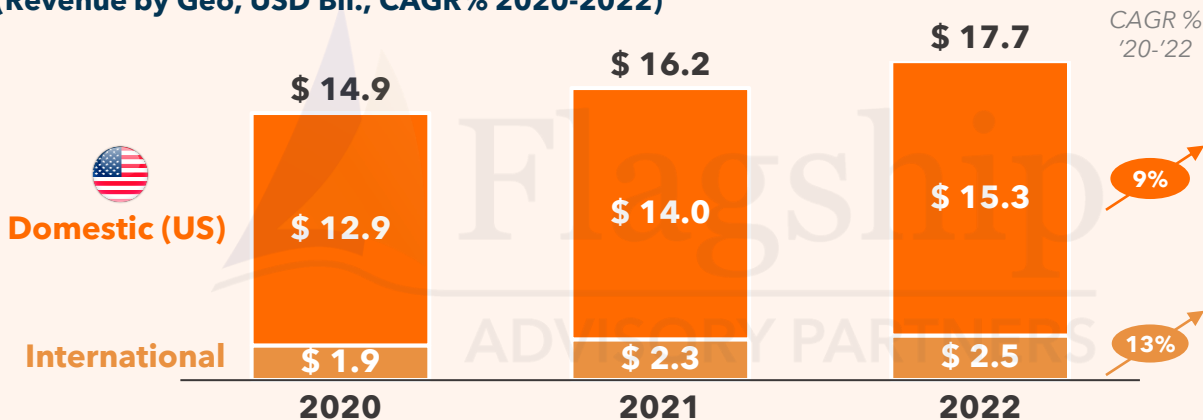
- 1. Solid topline and bottom line (EBITDA) growth performance** in 2022, driven by organic performance, besting FIS, but matched (slightly exceeded) by peer Global Payments.
- 2. Fiserv's Merchant Acceptance business delivered strong results in 2022** (15% revenue CAGR). We consider it impressive to generate such strong results at scale in a mature U.S. acquiring market, and we admit that our own 'challenging days for U.S. acquiring incumbents' perspective may be overstretched. Merchant product strategy (Clover for SME, Carat for Enterprise) appears cohesive and part of this growth story.
- 3. Impressive margin performance (absolute and growing) across units**, with primary business lines delivering 32-45% gross margins, all of which expanded in 2022 (39.2% overall).
- 4. Payments and Network business unit benefiting from growth in A2A payments**, which holds intriguing future growth potential in the U.S.
- 5. Financial technology is a mature segment**, but Fiserv achieving solid growth via **share wins**.
- 6. Business remains U.S.-centric**, with domestic revenues (86%) far outpacing international.

1 FISERV PERFORMANCE VS U.S. DIVERSIFIED PROCESSOR PEERS (USD Bil., CAGR% 2020-2022)



Sources: Company earnings and annual reports © Flagship Advisory Partners February 2023

2 FISERV GEO FOOTPRINT (Revenue by Geo, USD Bil., CAGR% 2020-2022)

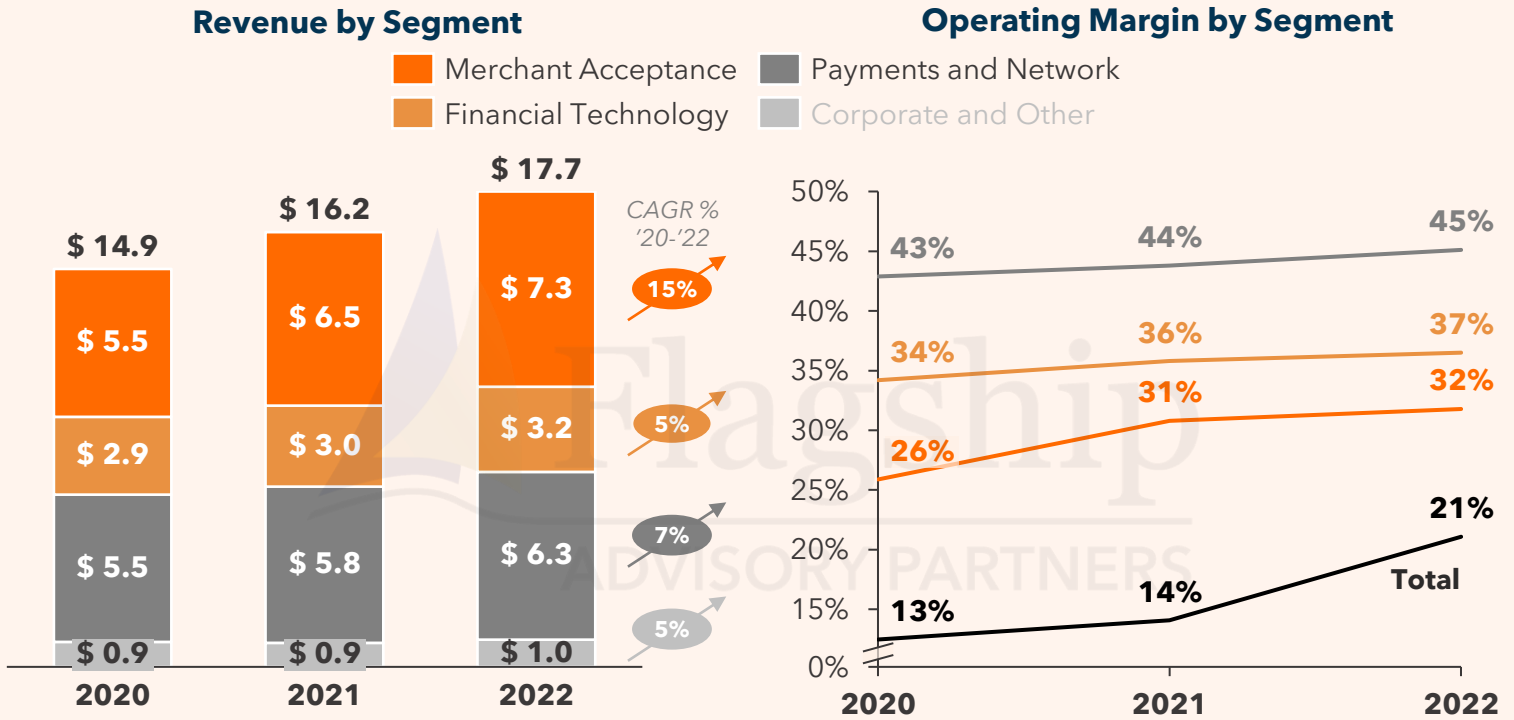


Sources: Fiserv earnings and annual reports © Flagship Advisory Partners February 2023

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3 FISERV PERFORMANCE BY SEGMENT (USD Bil., CAGR% 2020-2022)



MERCHANT ACCEPTANCE

- Clover – SME Segment Focus
- Carat – Enterprise Segment Focus
- Distribution Channels and Partnerships

FINANCIAL TECHNOLOGY

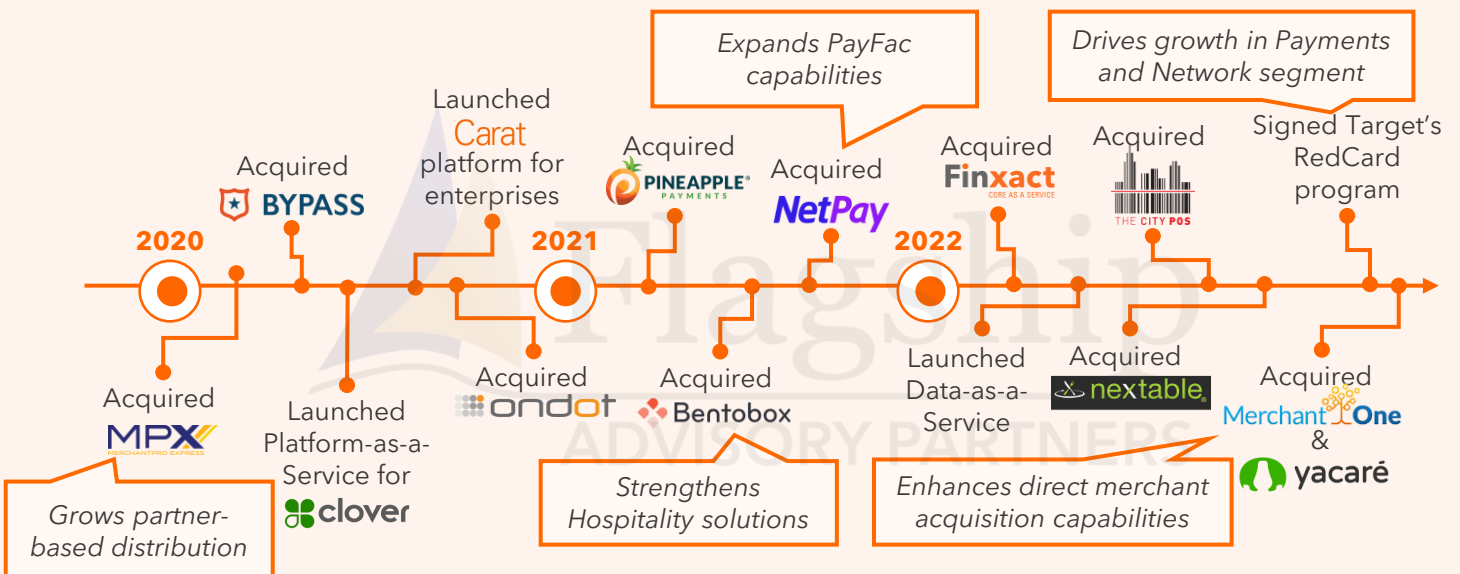
- Account Processing
- Financial and Risk Management Solutions
- Digital Solutions

PAYMENTS AND NETWORK

- Network and Debit Processing
- Credit Processing
- Output Solutions
- Digital and Bill Payments
- Biller Solutions
- Prepaid Solutions

Sources: Fiserv earnings and annual reports © Flagship Advisory Partners February 2023

4 TIMELINE OF RECENT KEY STRATEGIC EVENTS (select mergers, acquisitions, and product launches)



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5 MERCHANT ACCEPTANCE SEGMENT GROWTH LEAVERS Fiserv Integrated Commerce Operating Systems Products

Point of Sale & Business Mgmt. System for **SMEs**



Carat Omnichannel Commerce Operating System for **ENTERPRISES**

Vertical Solutions

Restaurant

- Delivery
- Online Ordering
- Table Management
- Touchless Dining
- Website Design

Retail

- eCommerce
- Inventory
- Shopping Carts

Services

- Card-on-File
- Invoices
- Mobile Payments
- Recurring Billing

Long Tail of Merchants

- Integrated Payments
- ISV Partner Tools
- Platform-as-a-Service

Horizontal Solutions

Reporting & Analytics

- Accounting
- Glover Go Mobile App
- Dashboard
- Multi-Location

Financial Services

- Clover Capital
- Credit Reports
- Insurance
- Rapid Deposit

Marketing

- Customer Profiles
- Gift Cards
- Promotions
- Rewards

Employee Management

- Payroll
- Recruiting
- Scheduling

Merchant Acceptance

Omnichannel

- Alt Payments / Crypto
- eCommerce
- Point of Sale & Terminals

Money Movement

- Disbursements
- Pay-in / Pay-out

Payment Optimization

- Fraud and Security
- Least Cost Routing
- Multi-Acquirer

Vertical Solutions

- B2B
- PayFac Enablement

Global Solutions

- Currency Solutions
- Global Acquiring

Payments & Fintech

Banking-as-a-Service

- Embedded Finance
- Sponsor Banking
- Wallet-as-a-Service

Output Solutions

- Digital and Print Services
- Omnichannel Comms

Employee Management

- Payroll
- Private Label

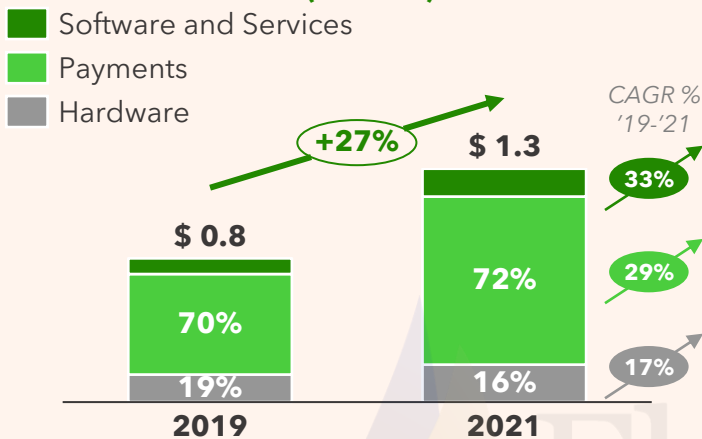
Non-Card Solutions

- ACH
- Faster Payments
- Zelle

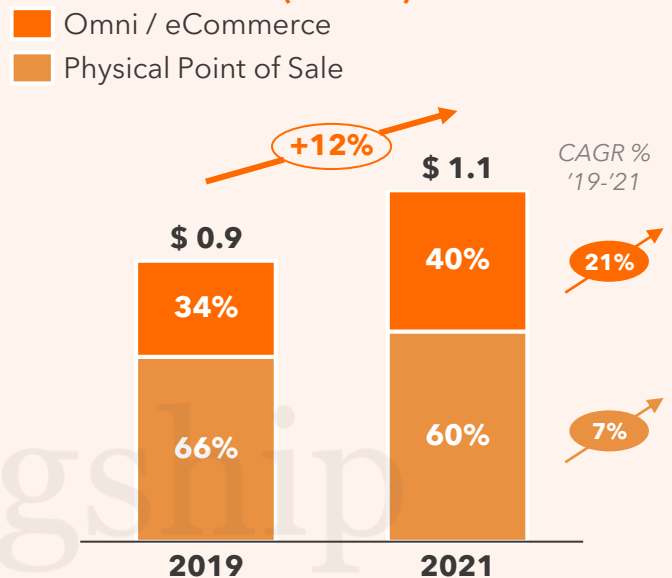
Biller

- Bank Bill Pay
- Biller Direct Solutions
- Walk-In Services

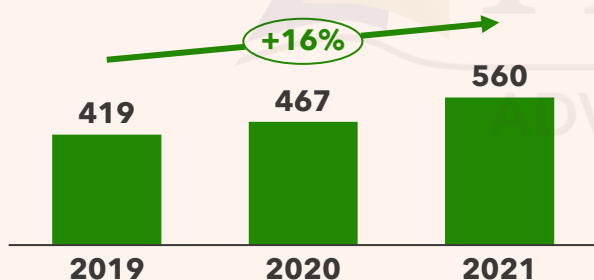
ADJUSTED REVENUE BY SEGMENT (USD Bil.)



ADJUSTED REVENUE BY SEGMENT (USD Bil.)



MERCHANT OUTLET COUNT (000's)



Select U.S. Merchants:



Sources: Fiserv earnings and product reports, © Flagship Advisory Partners Analysis February 2023

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