

# Investor Presentation

1Q 2017



**vantiv**<sup>®</sup>

smarter / faster / easier / payments.

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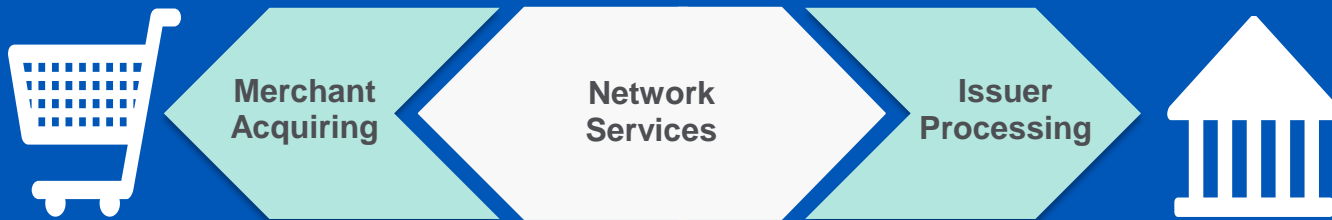
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# Company Overview

# A Leading Integrated Payment Processor in the U.S.

**vantiv**<sup>®</sup>



**Comprehensive across the value chain**  
**Integrated technology platform**  
**Broad distribution and superior cost structure**  
**Serving large and small clients**

# Our Segments



## Merchant Services

## Financial Institution Services

2016 Net Revenue

**\$1,546mm**

**\$359mm**

Vantiv Services

- **Merchant Acquiring**
  - Accept and process electronic payments at point-of-sale or online
  - Settlement of funds
  - Transaction reporting and analysis
- **Value-added services**
  - Security and fraud services, omni-channel acceptance, and data analytics

- **Integrated Card Issuer and Processing**
  - Issue, manage and process payment services for financial institution customers
- **Value-added services**
  - Security services, card production, portfolio optimization and data analytics
  - Proprietary network branding, acceptance and transaction processing services for PIN Debit and ATM cards

Customers

- **Small to mid-sized merchants and top-tier regional and national retailers**

- **Large and regional financial institutions, community banks and credit unions**

Key Metrics<sup>(1)</sup>

- **21.0 billion transactions processed**
- **\$0.074 net revenue per transaction**

- **4.0 billion transactions processed**
- **\$0.089 net revenue per transaction**

Note: In certain cases, numbers are rounded  
(1) Key Metrics data as of full year 2016.

# How We Make Money

## Key Drivers

## Description

## Example

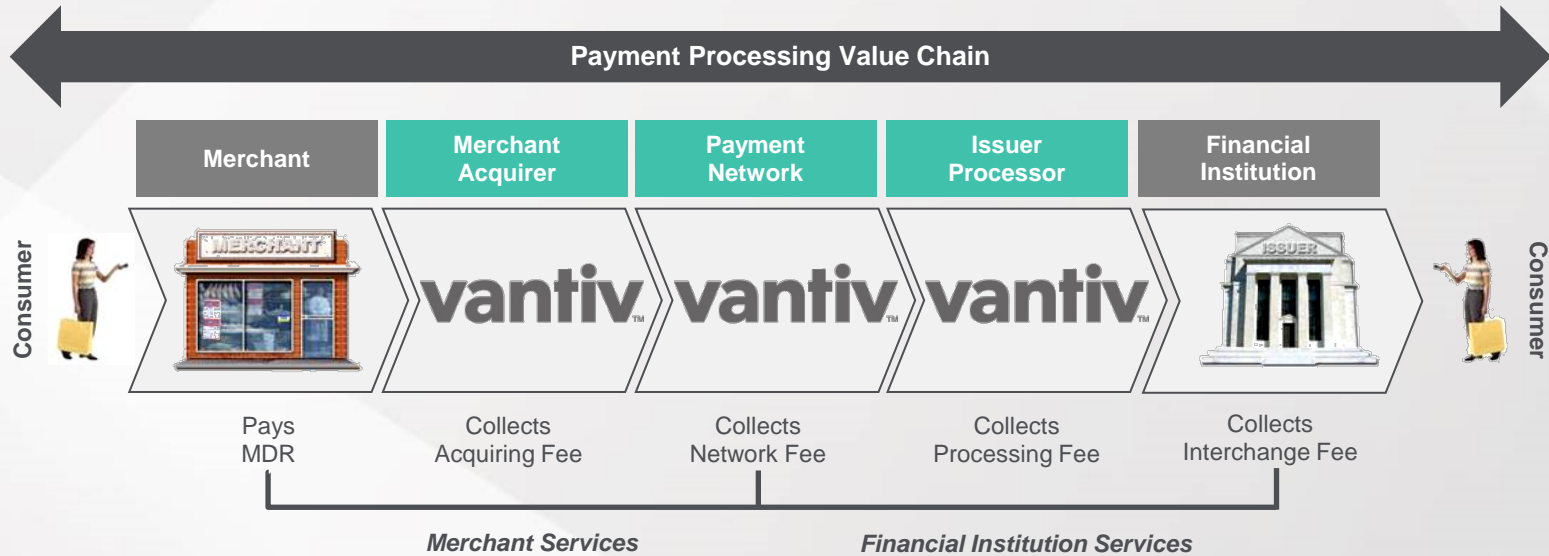
Vantiv has the opportunity to generate fees across the value chain

### Merchant Services

- # of Transactions
- \$ Amount of Sales Volume
- Fees are based on:
  - % of the sale amount – “Merchant Discount Rate” (MDR) and/or
  - A fixed fee per transaction

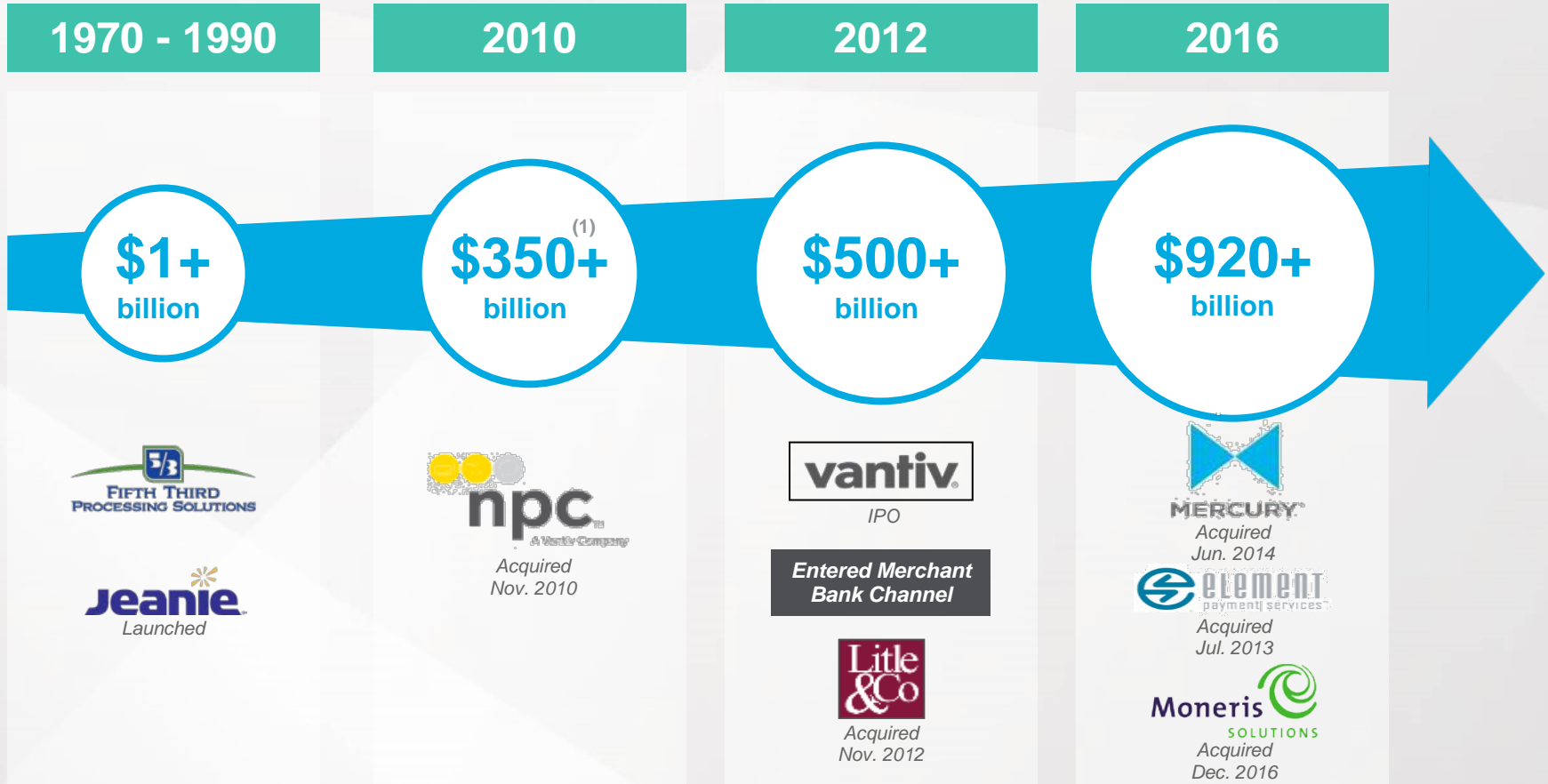
### Financial Institution Services

- # of Transactions
- Value-Added Services
- Fees are based on:
  - A fixed fee per transaction
  - Volume driven fees on valued-added services



# Preeminent Competitive Position Built Over 45 years

Based on Purchase Volume



Sought Out Differentiated Technology and Distribution to Enhance our Leading Scale

Note: In certain cases, numbers are rounded  
 (1) Pre NPC acquisition



# Market Leadership

Fastest Growing Acquirer <sup>(1)</sup>	Increased Market Share 7% Over 6 Years	45 Years of Experience	800k Merchant Locations	4,000 Referring Branches
Industry Leading Margins <sup>(2)</sup>	\$920B+ Annual Merchant Volume	3,000 Integrated Payments Partners	25B Transactions Annually	Over 1/3 <sup>rd</sup> of the Top 100 Retailers

**#1**

**U.S. MERCHANT ACQUIRER <sup>(3)</sup>**

**#1**

**U.S. PIN DEBIT ACQUIRER <sup>(3)</sup>**

**21%**

**U.S. MERCHANT MARKET SHARE <sup>(3)</sup>**

**10%**

**U.S. FI <sup>(4)</sup> MARKET SHARE**

Source: The Nilson Report, March 2017 / Issue 1105. In certain cases, numbers are rounded

(1) Based on 6-year CAGR for total purchase transactions (including all general purpose credit, debit and prepaid card transactions, including signature and PIN debit) as compared to top ten acquirers by transactions in 2016

(2) Refers to the publicly traded peer group of Global Payments, TSYS, and First Data

(3) Based on number of total purchase transactions as defined in (1) above (including PIN debit)

(4) Based on the approximate number of financial institutions in the United States in 2016



# Leading Competitive Advantages

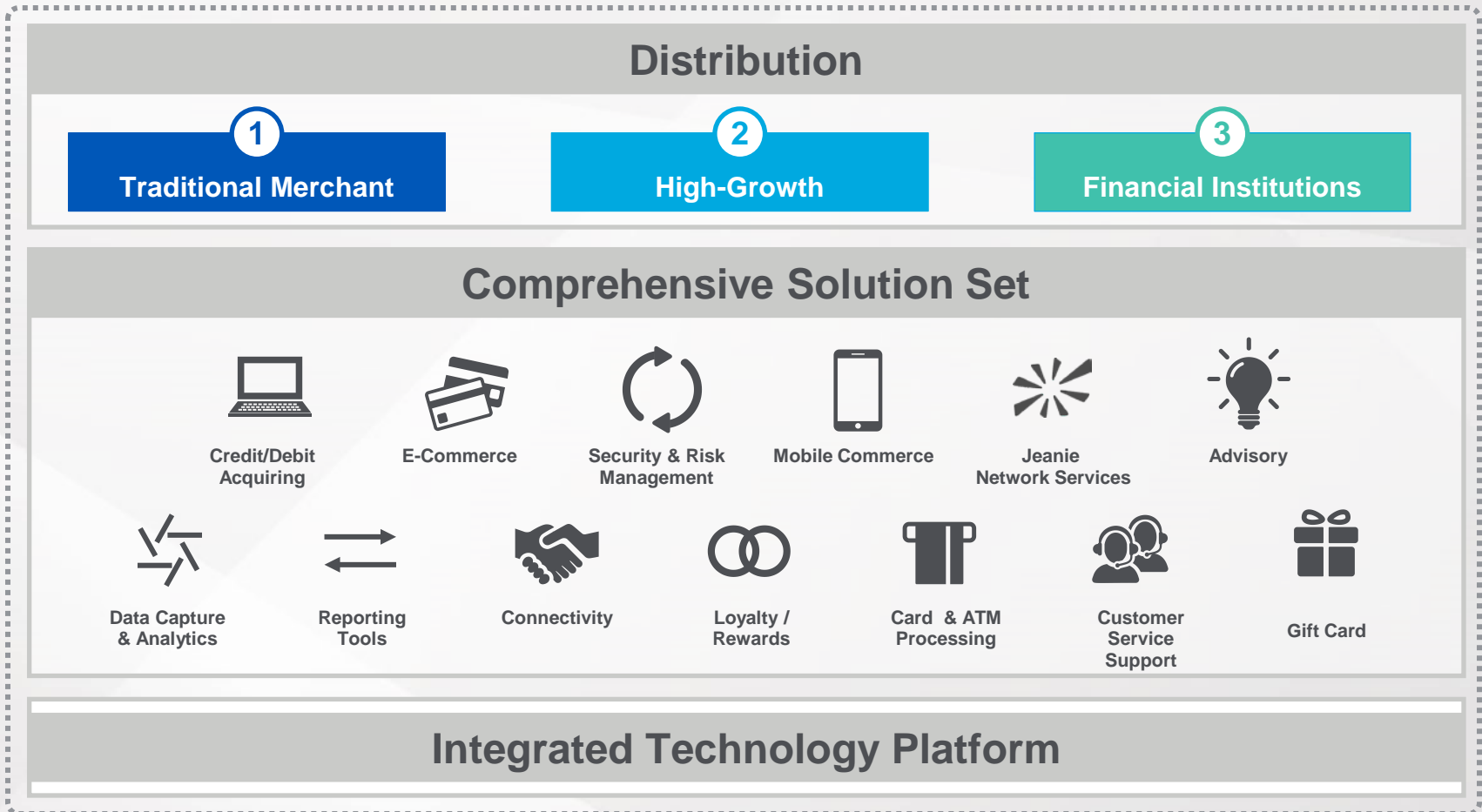
- ▶ Preeminent competitive position built over 40+ years
- ▶ Serving 1/3<sup>rd</sup> of Top 100 retailers and leading financial institutions
- ▶ Business model enables integration and scale
- ▶ Leading scale enables superior margin profile



- ▶ Diverse distribution channels
- ▶ Large sales force (inside & outside) with channel expertise
- ▶ Traditional merchant channels provide scale and stability
- ▶ High-growth channels penetrate SMBs to win market share
- ▶ FI segment contributes high levels of profitability and free cash flow conversion

- ▶ Integrated Technology Platform provides best-in-class capabilities
- ▶ Highly resilient and secure processing environment
- ▶ Enables greater speed to market for new products

# Superior Business Model Enables Integration and Scale



A Comprehensive Solution Set Delivered on an Integrated Technology Platform Through Diverse Distribution Channels

# Integrated Technology Platform Provides a Single Point of Service

**vantiv**<sup>TM</sup>

*Merchant  
Acquiring*



*Card Issuer  
Processing*

Proprietary &  
Differentiated

Integrated Solution

Secure & Reliable

Scalable & Flexible

Easy to Connect to and Maintain, Seamless Delivery, Cost Effective

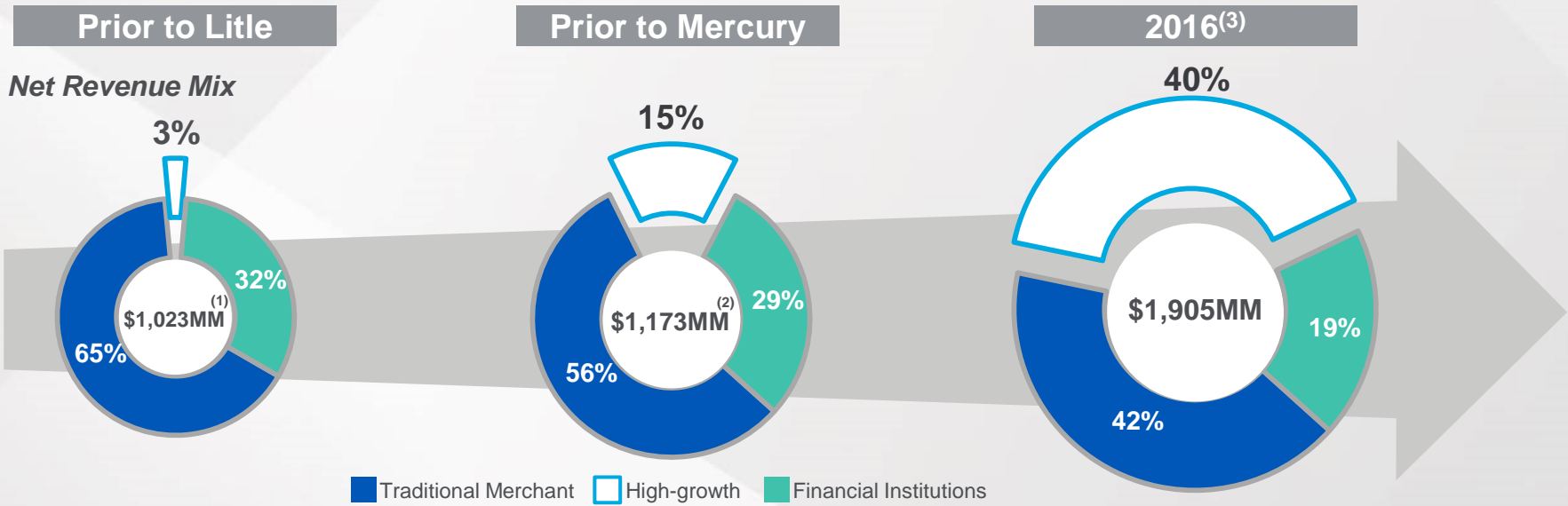
# Diverse Distribution Channels

- 1 Traditional Merchant**

*Traditional Merchant includes direct sales forces that target merchants through national, regional, and telesales teams and our Independent Sales Organization partners that target small and mid-sized merchants.*
- 2 High-growth**

*High-growth channels include integrated payments, eCommerce, and Merchant Bank. These high growth channels are expected to represent a larger piece of our business going forward.*
- 3 Financial Institutions**

*We distribute our Financial Institutions services by utilizing direct sales forces and a diverse group of referral partners.*



Note: In certain cases, numbers are rounded  
 (1) Net revenue as of 2012  
 (2) Net revenue as of 2013  
 (3) Total does not sum due to rounding

# Financial Overview

# Financial Highlights

1

## Strong Business Model

- Strong transaction growth
- Recurring transaction fee revenue

2

## Stable and Predictable

- Stable revenue growth and diverse customer base
- Resilient business with high visibility and predictability
- Long-term contracts with high customer retention rates

3

## Significant Operating Leverage

- Integrated technology platform
- Strong scale efficiencies
- Best-in-class margins <sup>(1)</sup>

4

## High Cash Flow

- High free cash flow conversion
- Low capital requirements
- Enables investment in growth

(1) Best-in-class refers to the publicly traded peer group of Global Payments, TSYS, and First Data

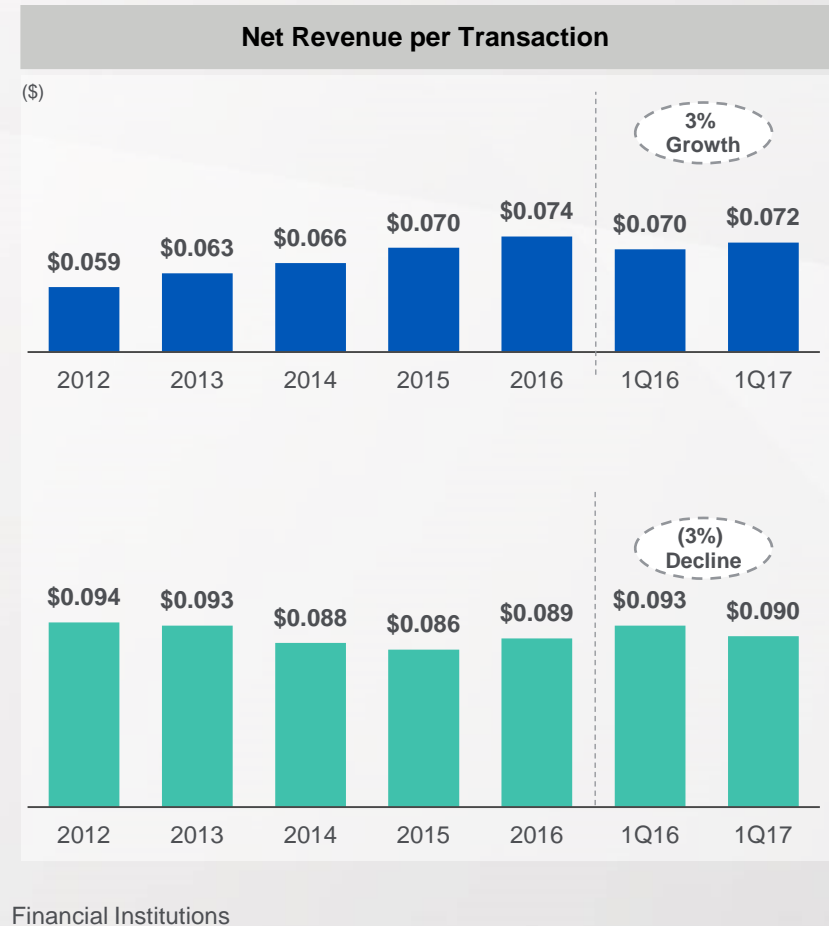
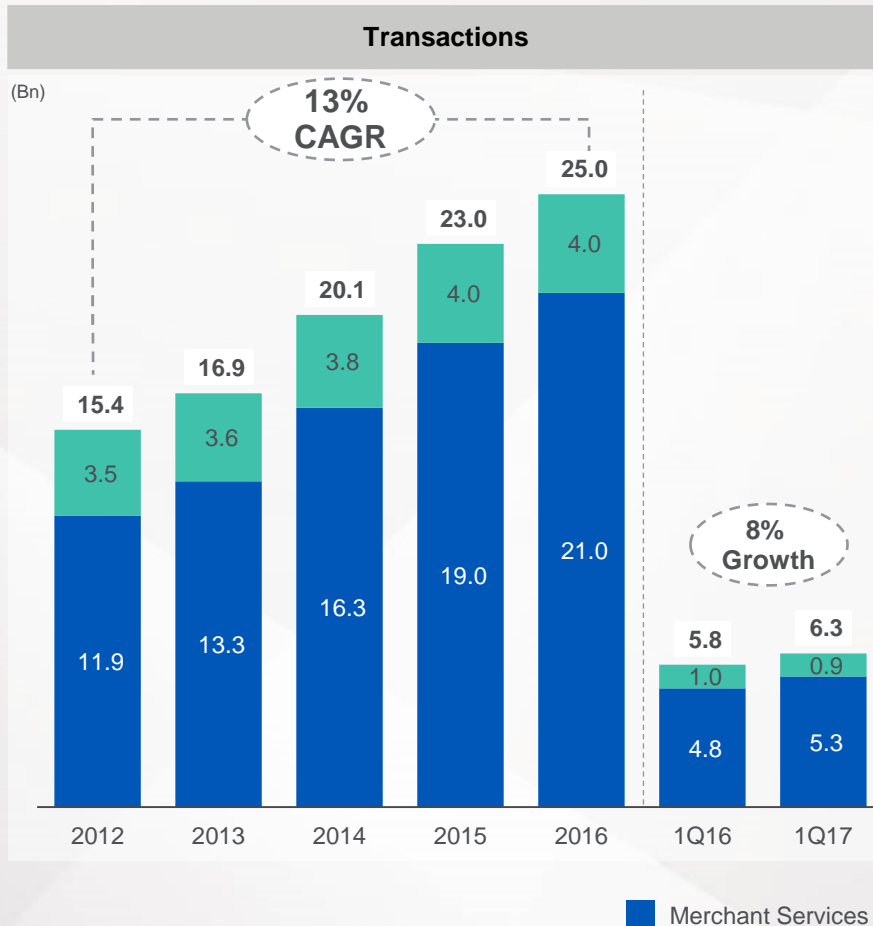
# First Quarter 2017 and Full Year 2016 Financial Results and Milestones

	1Q 2017 Performance <sup>(1)</sup>	FY 2016 Performance <sup>(1)</sup>
Transactions <i>(growth)</i>	6,275 8%	24,973 9%
Net Revenue <i>(growth)</i>	\$470 9%	\$1,905 13%
Adjusted EBITDA <sup>(2)</sup> <i>(margin)</i>	\$210 44.7%	\$912 47.9%
Pro Forma Adjusted Net Income <sup>(2)</sup> <i>(growth)</i>	\$135 22%	\$538 20%
Pro Forma Adjusted Net Income Per Share <sup>(2)</sup> <i>(growth)</i>	\$0.68 21%	\$2.73 22%

Note: Growth is year over year. In certain cases, numbers are rounded  
 (1) Transactions and dollars in millions, except Pro Forma Adjusted Net Income Per Share  
 (2) See reconciliation in the appendix



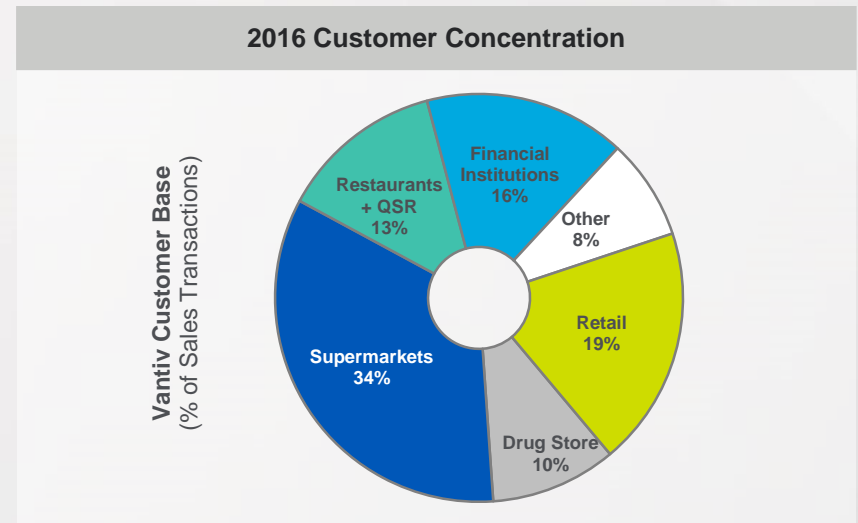
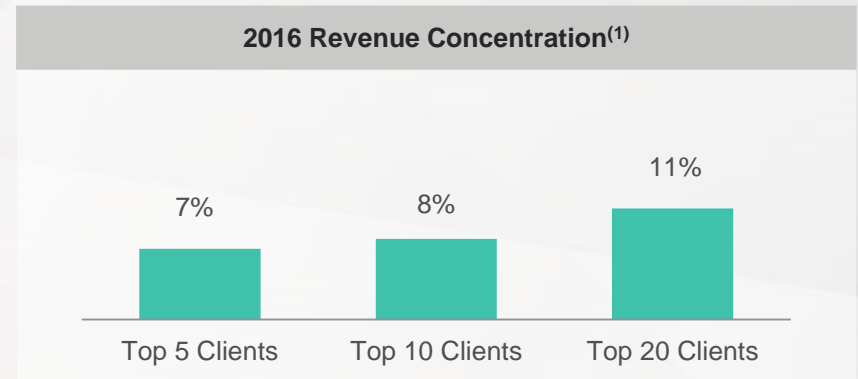
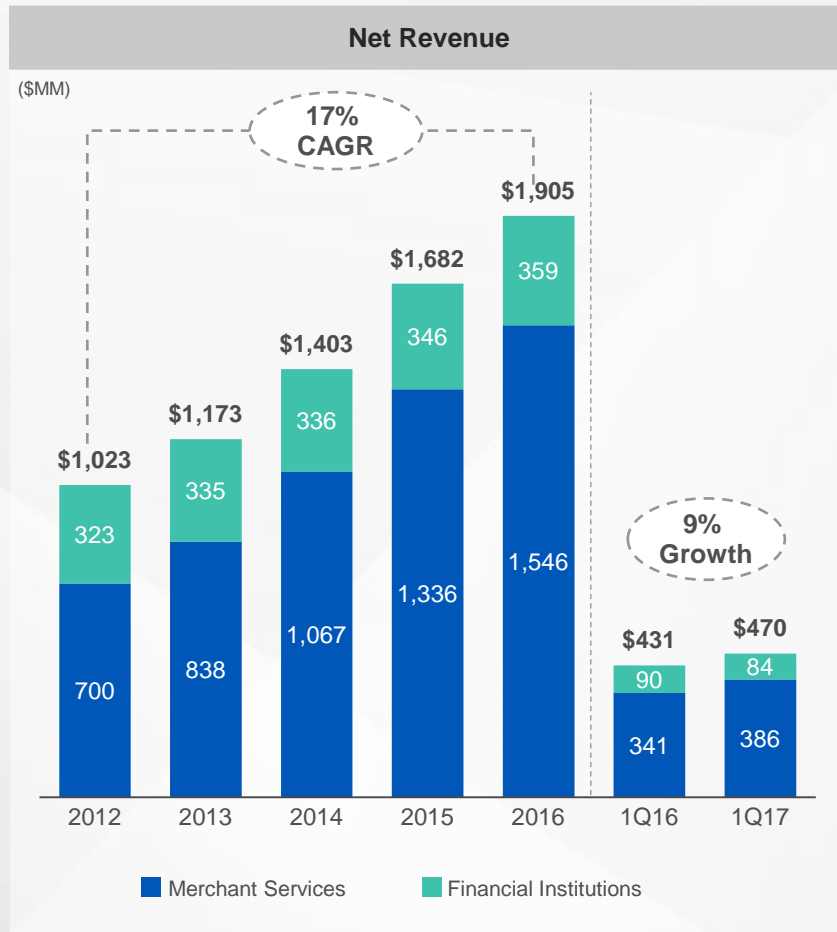
# Strong Transaction Growth and Increasing Merchant Yields



## Strong Transaction Growth and Recurring Transaction Fee Revenue

Note: In certain cases, numbers are rounded

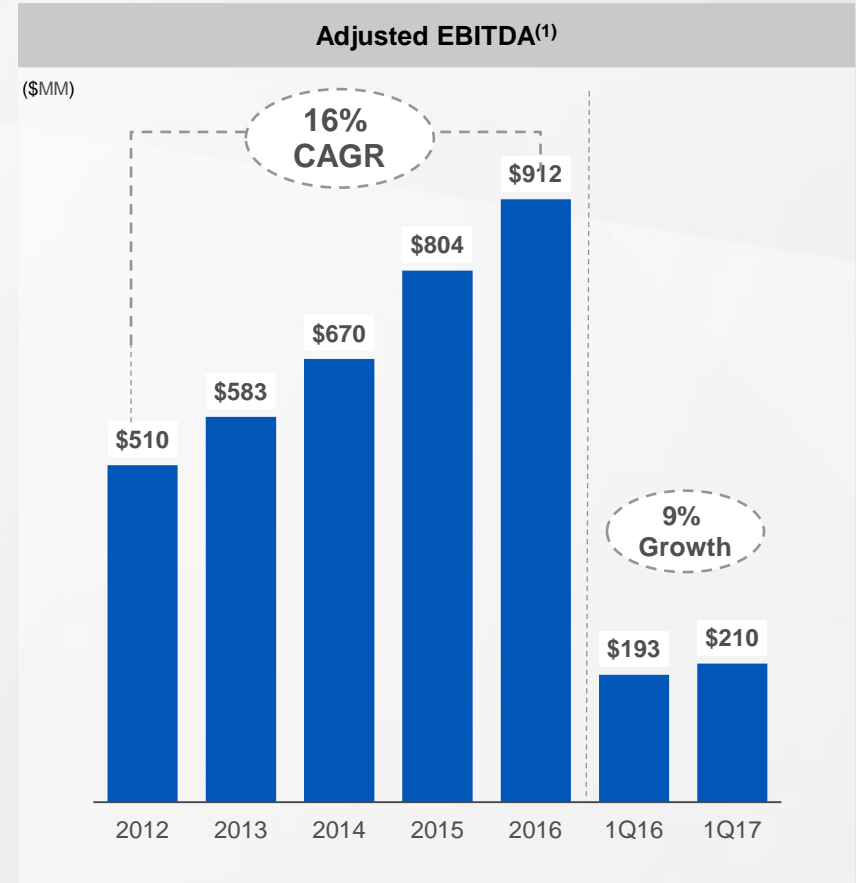
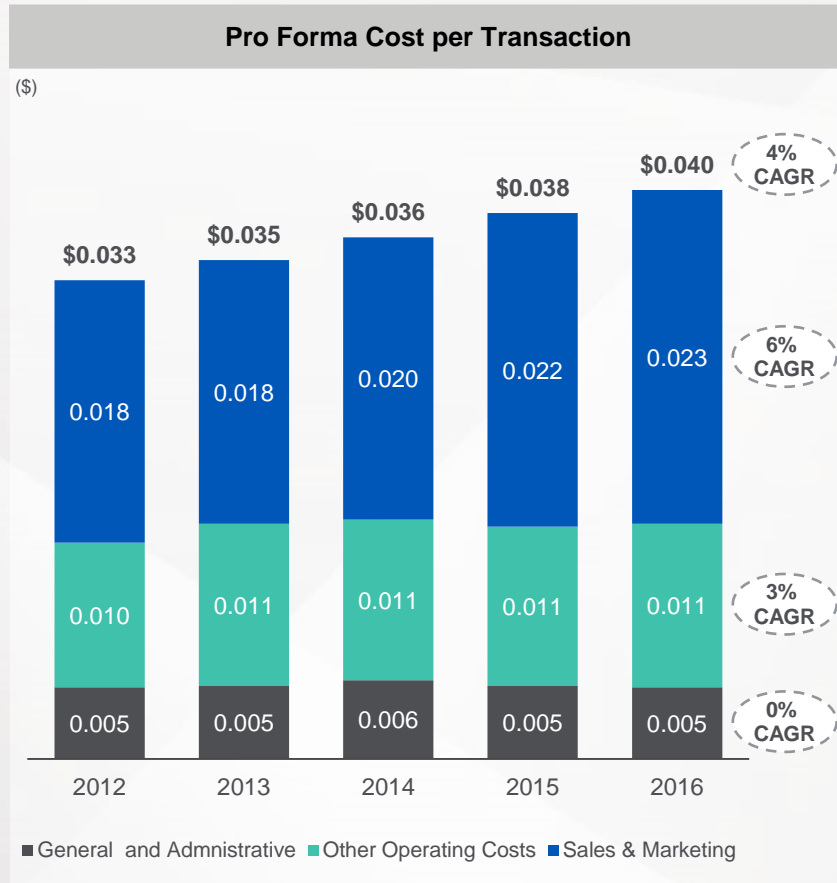
# Stable and Diversified Revenue Growth



**Solid Top Line Growth Underpinned by Stability From Diverse Customer Base**

Note: In certain cases, numbers are rounded  
 (1) Based on billed customer revenues

# Superior Cost Structure



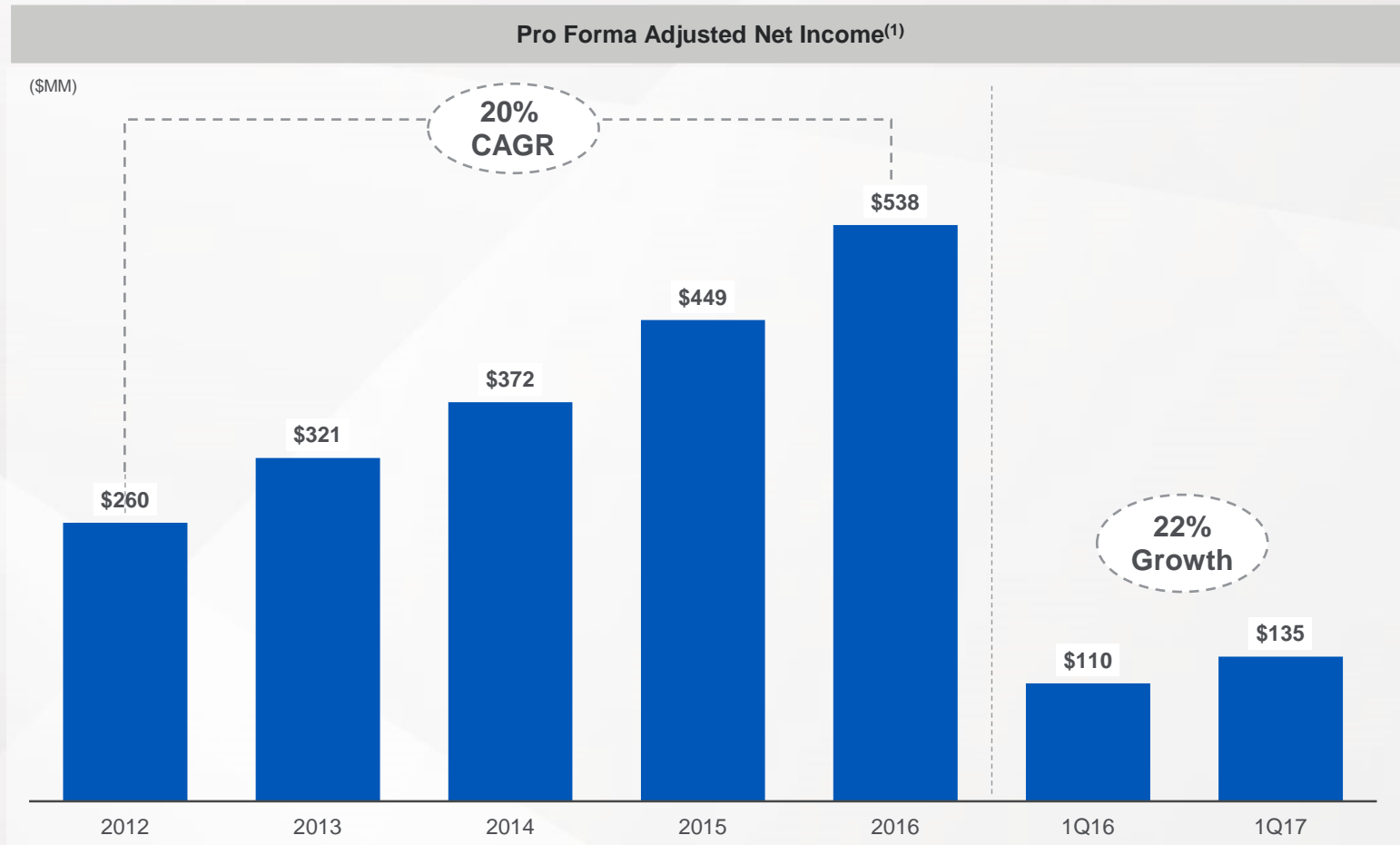
## Strong Operating Leverage and Best-In-Class Margins<sup>(2)</sup>

Note: In certain cases, numbers are rounded

(1) See reconciliation in the appendix

(2) Best-in-class refers to the publicly traded peer group of Global Payments, TSYS, and First Data

# Sustainable and Compelling Earnings Growth



Superior Business Model Drives Industry-Leading Profitability<sup>(2)</sup>

Note: In certain cases, numbers are rounded

(1) See reconciliation in the appendix

(2) Industry-leading profitability refers to margins as compared to the publicly traded peer group of Global Payments, TSYS, and First Data

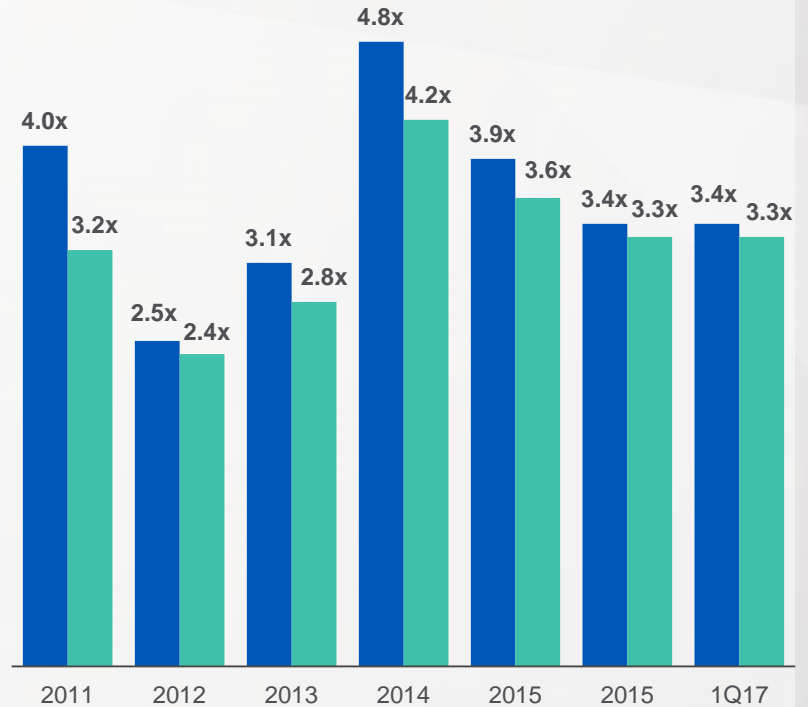
# Balance Sheet Review

## Cash and Cash Equivalents<sup>(1)</sup>

(\$MM)



## Debt to Pro Forma Adjusted EBITDA<sup>(2)</sup>



■ Gross Debt / PF EBITDA ■ Net Debt / PF EBITDA

## High Cash Flow and Strong Balance Sheet Enables Investment In Growth

- Note: In certain cases, numbers are rounded
- (1) Cash and Cash Equivalents balances presented as of the end of each respective period
  - (2) See reconciliation in the appendix
  - (3) Leverage increase in 2014 driven by financing for the Mercury acquisition

# Second Quarter 2017 and Full Year 2017 Guidance

	2Q 2017 Guidance	FY 2017 Guidance
Net Revenue <i>(growth)</i>	\$517 – \$527 8% – 10%	\$2,080 – \$2,120 9% – 11%
GAAP Net Income Per Share <i>(growth)</i>	\$0.41 – \$0.43 8% – 13%	\$1.51 – \$1.58 14% – 20%
Pro Forma Adjusted Net Income Per Share <i>(growth)</i>	\$0.81 – \$0.83 16% – 19%	\$3.22 – \$3.29 18% – 21%

Note: Growth is year over year. In certain cases, numbers are rounded

# Appendix



# Non-GAAP Reconciliation

	Year Ended 12/31/2012	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2015	Year Ended 12/31/2016	Quarter Ended 3/31/2016	Quarter Ended 3/31/2017	
Per 10-K / 10-Q	<b>EBITDA</b>	\$ 372.8	\$ 518.3	\$ 589.9	\$ 680.0	\$ 802.3	\$ 172.2	\$ 145.7
	Transition Costs (a)	0.6	0.6	0.1	0.0	0.0	0.0	0.0
	Debt refinancing and hedge term costs (b)	86.7	20.0	26.5	0.0	0.0	0.0	0.0
	Share based compensation	33.4	29.7	42.2	30.5	35.9	8.4	10.6
	Acquisition and Integration Costs (c)	10.4	14.5	38.4	62.6	37.6	7.2	49.5
	Network Compliance Fee (d)	6.0	0.0	0.0	0.0	0.0	0.0	0.0
	Non Operating Income Expense (e)	0.0	0.0	(26.7)	31.3	36.3	5.7	4.1
<b>Adjusted EBITDA</b>	\$ 509.8	\$ 583.1	\$ 670.4	\$ 804.4	\$ 912.0	\$ 193.4	\$ 210.0	
Comparability Adjustments	Depreciation and Amortization (f)	(43.1)	(60.5)	(76.5)	(85.5)	(79.2)	(20.6)	(24.2)
	Interest Expense (g)	(54.6)	(40.9)	(79.7)	(105.7)	(109.5)	(27.7)	(29.2)
	Taxes (h)	(158.7)	(185.4)	(187.7)	(220.7)	(260.4)	(52.2)	(53.2)
	Tax Adjustments (i)	6.5	24.3	46.5	58.2	76.2	18.1	31.6
	JV Non-Controlling Interest (j)	0.0	0.0	(0.6)	(1.5)	(1.2)	(0.5)	(0.3)
	<b>Pro Forma Adjusted Net Income</b>	\$ 260.0	\$ 320.5	\$ 372.4	\$ 449.1	\$ 537.8	\$ 110.4	\$ 134.7
	Adjusted Shares Outstanding	213.8	206.0	199.2	200.9	197.2	196.8	197.5
<b>Pro Forma Adjusted Net Income Per Share</b>	\$ 1.22	\$ 1.56	\$ 1.87	\$ 2.24	\$ 2.73	\$ 0.56	\$ 0.68	

Note: Dollars and shares in millions, except Pro Forma Adjusted Net Income Per Share. In certain cases, numbers are rounded

# Non-GAAP Reconciliation

- (a) Transition costs include costs associated with our separation transaction from Fifth Third Bank, including costs incurred for our human resources, finance, marketing and legal functions and severance costs; consulting fees related to non-recurring transition projects; expenses related to various strategic and separation initiatives; depreciation and amortization charged to us by Fifth Third Bank under our transition services agreement; and compensation costs related to payouts of a one-time signing bonus to former Fifth Third Bank employees transferred to us as part of our transition deferred compensation plan.
- (b) Primarily includes non-operating expenses incurred with the refinancing of our debt in May 2011, March 2012, May 2013, June 2014, and October 2016 as well costs associated with the early termination of our interest rate swaps in March 2012.
- (c) Acquisition and integration costs include fees incurred in connection with our acquisitions, including legal, accounting and advisory fees as well as consulting fees for conversion and integration services and charges related to employee termination benefits and other transition activities.
- (d) MasterCard assessed a change of control compliance fee to the company of \$6.0 million as a result of our IPO.
- (e) For 2017, 2016 and 2015, primarily relates to the change in fair value of a TRA entered into as part of the acquisition of Mercury. The 2014 amount relates to a benefit recorded as a result of a reduction in certain TRA liabilities, partially offset by the change in fair value of a TRA entered into as part of the acquisition of Mercury.
- (f) For periods prior to 2012, amounts represent depreciation expense associated with the company's property and equipment, assuming that the company's property and equipment at December 31, 2011 was in place on January 1, 2009. For periods subsequent to 2011, amounts represent the company's depreciation and amortization expense adjusted to exclude amortization of intangible assets acquired through business combinations and customer portfolio and related asset acquisitions. The twelve months ended December 31, 2014 also includes the write-down of a trade name of \$34.3 million.
- (g) For periods prior to 2012, amounts represent interest expense associated with the company's level of debt, assuming the level of debt and applicable terms at December 31, 2011 was outstanding on January 1, 2009.
- (h) Represents adjustments to income tax expense to reflect an effective tax rate of 34.0% for 2017, 36% for 2016 and 2015, 36.5% for 2014 and 38.5% for all other periods presented, assuming the conversion of the Class B units of Vantiv Holding into shares of Class A common stock, including the tax effect of the adjustments described above.
- (i) Represents tax benefits due to the amortization of intangible assets and other tax attributes resulting from or acquired with our acquisitions, and to the tax basis step up associated with our separation from Fifth Third Bank and the purchase or exchange of Class B units of Vantiv Holding, net of payment obligations under tax receivable agreements.
- (j) Represents the non-controlling interest, net of pro forma income tax expense, associated with a consolidated joint venture formed in May 2014.