

Fidelity National Information Services provides technology solutions for merchants, banks and capital market firms. In early 2024, the company sold a 55% interest in its Worldpay Merchant Solutions business to GTCR, unwinding its July 2019 purchase of Worldpay, the largest global merchant acquirer, and in April 2025 reached an agreement to sell the remaining interest to Global Payments. The company is headquartered in Jacksonville, Florida.

Analyst's Notes

Analysis by Stephen Biggar, May 6, 2025

ARGUS RATING: **BUY**

- View Worldpay/Issuer Solutions transaction as favorable
- On May 6, Fidelity National reported adjusted 1Q25 EPS of \$1.21, up from \$1.10 a year earlier and slightly above the \$1.20 consensus.
- Management reiterated guidance calling for EPS of \$5.70-\$5.80 (9%-11% growth) in 2025. The guidance includes continued operating margin improvement with EBITDA margin expansion of 40-45 basis points.
- In April, the company reached an agreement to sell its remaining 45% stake in Worldpay to Global Payments (GPN), while simultaneously agreeing to acquire GPN's Issuer Solutions business, which is mainly engaged in enabling financial service providers to manage their card portfolios.
- We view the deal positively as it allows the company to offer new products within its core financial institutional segment, grow its industry positioning and achieve consistent margin improvement. Our target price remains \$101, or about 18-times our 2025 EPS estimate.

INVESTMENT THESIS

We are maintaining our BUY rating on Fidelity National Information Services Inc. (NYSE: FIS), a provider of technology solutions for merchants, banks, and capital market firms, with a target price of \$101. First-quarter EPS beat the consensus and the company maintained its guidance calling for 9%-11% EPS growth in 2025.

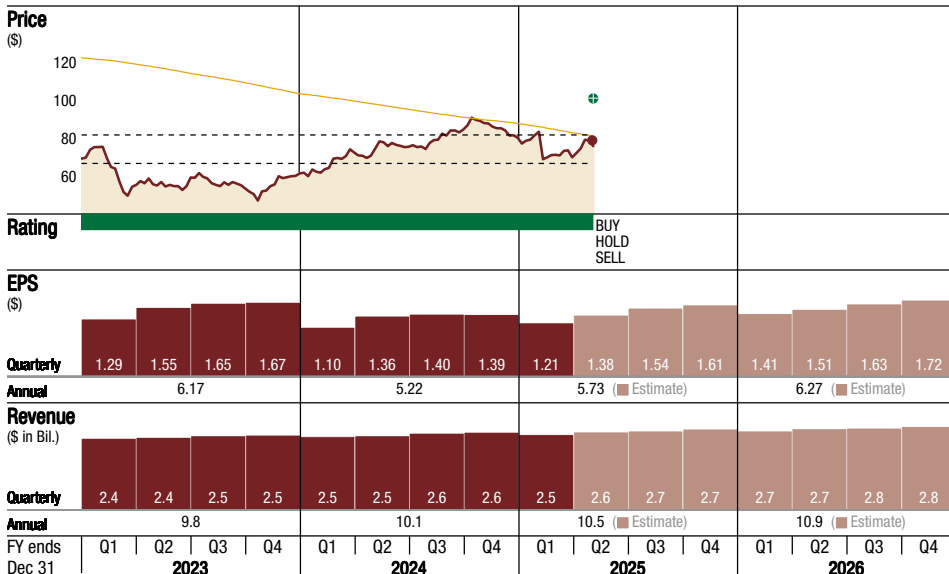
In January 2024, FIS sold a 55% stake in Worldpay Merchant Solutions business to private equity funds managed by GTCR, LLC. In April 2025, the company reached an agreement to sell its remaining 45% stake in Worldpay to Global Payments (GPN), while simultaneously agreeing to acquire GPN's Issuer Solutions business, which is mainly engaged in enabling financial service providers to manage their card portfolios. The Issuer Solutions business would be acquired for a net purchase price of \$12 billion, while the Worldpay sale would be for a pre-tax value of \$6.6 billion.

With Issuer Solutions, FIS is targeting \$45 million of revenues synergies (extending credit processing into a new client base and expanding internationally) and \$125 million of

Market Data

Pricing reflects previous trading week's closing price.

— 200-Day Moving Average ● Target Price: \$101.00 ● 52 Week High: \$81.70 ● 52 Week Low: \$66.70 ● Closed at \$78.86 on 5/2



Argus Recommendations

Twelve Month Rating	SELL	HOLD	BUY
Five Year Rating	SELL	HOLD	BUY
Sector Rating	Under Weight	Market Weight	Over Weight

Argus assigns a 12-month BUY, HOLD, or SELL rating to each stock under coverage.

- BUY-rated stocks are expected to outperform the market (the benchmark S&P 500 Index) on a risk-adjusted basis over the next year.
- HOLD-rated stocks are expected to perform in line with the market.
- SELL-rated stocks are expected to underperform the market on a risk-adjusted basis.

The distribution of ratings across Argus' entire company universe is: 73% Buy, 27% Hold, 0% Sell.

Key Statistics

Key Statistics pricing data reflects previous trading day's closing price. Other applicable data are trailing 12-months unless otherwise specified

Market Overview

Price	\$75.89
Target Price	\$101.00
52 Week Price Range	\$66.51 to \$91.98
Shares Outstanding	525.82 Million
Dividend	\$1.60

Sector Overview

Sector	Financial
Sector Rating	OVER WEIGHT
Total % of S&P 500 Market Cap.	14.50%

Financial Strength

Financial Strength Rating	MEDIUM-HIGH
Debt/Capital Ratio	42.4%
Return on Equity	19.4%
Net Margin	8.0%
Payout Ratio	0.28
Current Ratio	0.85
Revenue	\$10.19 Billion
After-Tax Income	\$820.00 Million

Valuation

Current FY P/E	13.24
Prior FY P/E	14.54
Price/Sales	3.92
Price/Book	2.65
Book Value/Share	\$28.65
Market Capitalization	\$39.90 Billion

Forecasted Growth

1 Year EPS Growth Forecast	9.77%
5 Year EPS Growth Forecast	15.00%
1 Year Dividend Growth Forecast	11.11%

Risk

Beta	0.73
Institutional Ownership	96.31%

Analyst's Notes ...Continued

cost synergies (duplicate vendor and back-office costs) by the third year after closing, which is expected in the first half of 2026. The company forecasts the acquisition to be accretive to adjusted EPS in the first 12 months, and result in significantly higher free cash flow. With Issuer Solutions, we note that FIS has identified a sizeable addressable market with large banks.

Our BUY recommendation reflects Fidelity National's favorable position in the high-growth areas of e-commerce and integrated payments, as well as opportunities for market share expansion. We believe the payments industry has a long runway for growth as more spending moves to digital channels at the expense of cash.

RECENT DEVELOPMENTS

FIS shares are up 9% over the past year, similar to the increase for the broad market.

On May 6, Fidelity National reported adjusted 1Q25 EPS of \$1.21, up from \$1.10 a year earlier and slightly above the \$1.20 consensus. Revenue was up 3% to \$2.53 billion. Results in the current period exclude purchase account amortization, acquisition/integration, asset impairments, and other costs totaling \$1.06 per share.

In April 2025, the company agreed to sell its 45% minority interest in Worldpay Merchant Solutions to Global Payments (GPN), while acquiring GPN's Issuer Solutions business. The transaction is expected to be completed in the first half of 2026. In January 2024, FIS sold a 55% interest in Worldpay to private

equity funds managed by GTCR, LLC. FIS had purchased Worldpay, the largest global merchant acquirer, in July 2019 for \$35 billion.

EARNINGS & GROWTH ANALYSIS

Following the categorization of Merchant Solutions as discontinued operations in 3Q23, Fidelity reports results for two main operating segments. Banking Solutions contributed 68% of 1Q operating revenue and Capital Market Solutions 30%. Corporate and Other provided the balance. We summarize the 1Q segment results below.

Banking Solutions: Total revenue was up 2% to \$1.7 billion. The segment-adjusted EBITDA margin was 40.1%, down 379 basis points from the prior year, attributed to high license and termination fee revenue in the prior year. At its May 2024 Investor Day, management outlined plans for the Banking Solutions segment to grow revenues 3.5%-4.5% by 2025/2026.

Capital Market Solutions: Total revenue rose 8% to \$764 million. The segment-adjusted EBITDA margin expanded by 90 basis points to 48.3%, attributed to an increase in higher-margin license revenue and operating leverage. At its May 2024 Investor Day, management outlined plans for the Capital Market Solutions segment to grow revenues 7.5%-8.5% by 2025/2026, along with a 50%+ adjusted EBITDA margin.

Also at Investor Day, the company said it was raising its goal for operational expense savings through 2026 to a cumulative

Growth & Valuation Analysis

GROWTH ANALYSIS

(\$ in Millions, except per share data)

	2020	2021	2022	2023	2024
Revenue	12,552	9,339	9,720	9,831	10,127
COGS	8,348	5,990	6,259	6,175	6,323
Gross Profit	4,204	3,349	3,461	3,656	3,804
SG&A	3,516	2,115	2,182	2,096	2,185
R&D	—	—	—	—	—
Operating Income	688	1,234	1,279	1,560	1,761
Interest Expense	334	212	281	621	250
Pretax Income	266	719	898	662	1,297
Income Taxes	96	403	314	157	362
Tax Rate (%)	36	56	35	24	28
Net Income	158	417	-16,752	-6,655	1,450
Diluted Shares Outstanding	627	621	604	591	555
EPS	0.25	0.67	-27.74	-11.26	2.61
Dividend	1.40	1.56	1.88	2.08	1.44

GROWTH RATES (%)

Revenue	21.5	-25.6	4.1	1.1	3.0
Operating Income	-34.8	79.4	3.6	22.0	12.9
Net Income	-47.0	163.9	—	—	—
EPS	-62.1	108.0	82.7	-10.5	67.1
Dividend	—	11.4	20.5	10.6	-30.8
Sustainable Growth Rate	-2.8	-1.5	-0.4	-0.4	-5.1

VALUATION ANALYSIS

Price: High	\$158.21	\$155.96	\$122.06	\$79.32	\$91.98
Price: Low	\$91.68	\$101.79	\$56.53	\$46.91	\$58.24
Price/Sales: High-Low	7.9 - 4.6	10.4 - 6.8	7.6 - 3.5	4.8 - 2.8	5.0 - 3.2
P/E: High-Low	632.8 - 366.7	232.8 - 151.9	— - —	— - —	35.2 - 22.3
Price/Cash Flow: High-Low	26.7 - 15.5	19.0 - 12.4	19.1 - 8.8	11.9 - 7.0	11.8 - 7.5

Financial & Risk Analysis

FINANCIAL STRENGTH

	2022	2023	2024
Cash (\$ in Millions)	456	440	834
Working Capital (\$ in Millions)	-3,406	-4,573	-908
Current Ratio	0.79	0.75	0.85
LT Debt/Equity Ratio (%)	53.0	69.0	62.8
Total Debt/Equity Ratio (%)	75.0	101.5	73.5

RATIOS (%)

Gross Profit Margin	35.6	37.2	37.6
Operating Margin	13.2	15.9	17.4
Net Margin	-172.3	-67.7	14.3
Return On Assets	-22.9	-11.3	3.3
Return On Equity	-44.9	-28.8	8.3

RISK ANALYSIS

Cash Cycle (days)	—	—	—
Cash Flow/Cap Ex	1.6	2.7	2.7
Oper. Income/Int. Exp. (ratio)	4.0	1.9	4.7
Payout Ratio	422.2	117.7	244.7

The data contained on this page of this report has been provided by Morningstar, Inc. (© 2025 Morningstar, Inc. All Rights Reserved). This data (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. This data is set forth herein for historical reference only and is not necessarily used in Argus' analysis of the stock set forth on this page of this report or any other stock or other security. All earnings figures are in GAAP.

Analyst's Notes ...Continued

\$790 million, with incremental savings of \$280 million expected in 2024, \$190 million in 2025 and \$165 million in 2026, from a base of \$155 million achieved in 2023.

Along with 1Q25 earnings, the company reiterated prior guidance for 2025 calling for revenues of \$10.435-\$10.495 billion and adjusted EBITDA of \$4.305-\$4.335 billion and looks for adjusted EPS of \$5.70-\$5.80. The forecast implies adjusted EBITDA margin expansion of 40 to 45 basis points. For 2Q25, the company offered guidance for \$2.560-\$2.585 billion in revenues and \$1.34-\$1.38 for adjusted EPS.

We are keeping our 2025 EPS estimate at \$5.73, while boosting our 2026 forecast to \$6.27 from \$6.21.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating on Fidelity is Medium-High. The company has healthy operating margins in the mid-40s, with prospects for further expansion.

As of March 31, 2025, long-term debt was \$8.7 billion, down from \$9.7 billion at the end of 2024.

In January 2025, the company raised its quarterly dividend by 11% to \$0.40 per share, or \$1.60 annually, for a yield of about 2.0%. Our dividend estimates are \$1.60 for 2025 and \$1.80 for 2026. The company intends to increase the dividend roughly in line with earnings growth, with a goal for a payout ratio of 35% of adjusted earnings.

In 1Q25, the company repurchased \$450 million of shares. The

company plans to repurchase \$1.2 billion of shares in all of 2025.

MANAGEMENT & RISKS

Stephanie Ferris became the company's president and CEO in December 2022, succeeding Gary Norcross. CFO Woody Woodall retired in November 2022 and was succeeded by Deputy CFO James Kehoe.

Fidelity faces risks from security or privacy breaches, as well as from Banking and Financial sector mergers, which could eliminate certain existing and potential clients. The company also faces risks from economic weakness, new technology, and legal and regulatory issues.

COMPANY DESCRIPTION

Fidelity National Information Services provides technology solutions for merchants, banks and capital market firms. In early 2024, the company sold a 55% interest in its Worldpay Merchant Solutions business to GTCR, unwinding its July 2019 purchase of Worldpay, the largest global merchant acquirer, and in April 2025 reached an agreement to sell the remaining interest to Global Payments. The company is headquartered in Jacksonville, Florida.

VALUATION

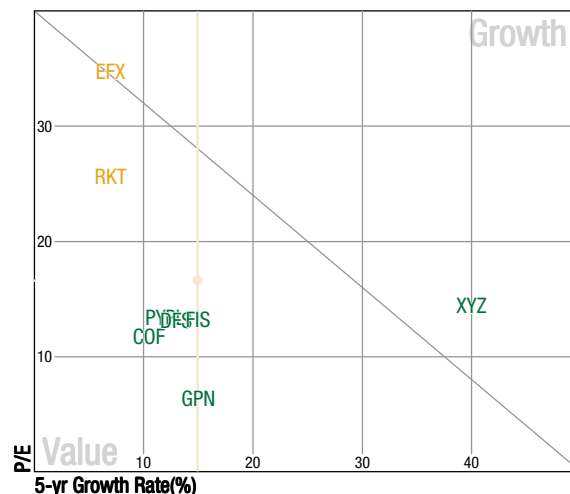
FIS shares have traded between \$67 and \$92 over the past year and are currently near the middle of that range. The shares have performed in line with the broader market over the past year.

We believe that the shares offer value at current levels, and like

Peer & Industry Analysis

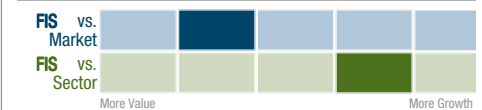
The graphics in this section are designed to allow investors to compare FIS versus its industry peers, the broader sector, and the market as a whole, as defined by the Argus Universe of Coverage.

- The scatterplot shows how FIS stacks up versus its peers on two key characteristics: long-term growth and value. In general, companies in the lower left-hand corner are more value-oriented, while those in the upper right-hand corner are more growth-oriented.
- The table builds on the scatterplot by displaying more financial information.
- The bar charts on the right take the analysis two steps further, by broadening the comparison groups into the sector level and the market as a whole. This tool is designed to help investors understand how FIS might fit into or modify a diversified portfolio.

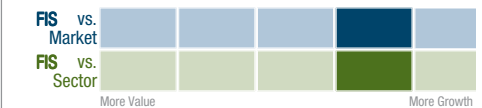


Ticker	Company	Market Cap (\$ in Millions)	5-yr Growth Rate (%)	Current FY P/E	Net Margin (%)	1-yr EPS Growth (%)	Argus Rating
COF	Capital One Financial Corp.	70,845	10.5	11.8	9.0	14.5	BUY
PYPL	PayPal Holdings Inc	66,181	12.0	13.4	14.3	8.3	BUY
DFS	Discover Financial Services	47,341	13.0	13.2	20.4	10.0	BUY
FIS	Fidelity Natl Information Serv	39,904	15.0	13.2	8.0	9.4	BUY
EFX	Equifax, Inc.	32,563	7.0	34.7	10.7	15.9	HOLD
XYZ	Block Inc.	26,246	40.0	14.5	10.9	39.8	BUY
GPN	Global Payments, Inc.	19,493	15.0	6.4	15.5	10.8	BUY
RKT	Rocket Companies Inc	1,740	7.0	25.6	.5	60.0	HOLD
Peer Average		38,039	14.9	16.6	11.2	21.1	

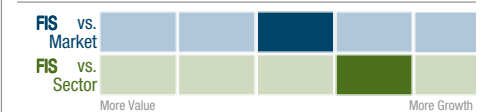
P/E



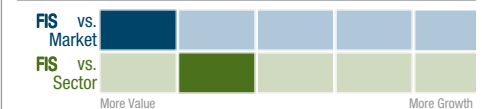
Price/Sales



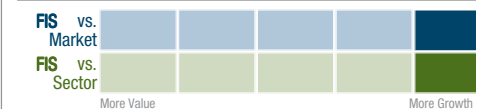
Price/Book



PEG



5 Year Growth



Debt/Capital



Analyst's Notes ...Continued

the improved growth profile offered by the pending sale of a remaining stake in Worldpay and the acquisition of Global Payments' Issuer Solutions business. We are keeping our target price of \$101, implying a multiple of about 18-times our 2025 EPS estimate.

On May 6, BUY-rated FIS closed at \$75.89, down \$2.43.

About Argus

Argus Research, founded by Economist Harold Dorsey in 1934, has built a top-down, fundamental system that is used by Argus analysts. This six-point system includes Industry Analysis, Growth Analysis, Financial Strength Analysis, Management Assessment, Risk Analysis and Valuation Analysis.

Utilizing forecasts from Argus' Economist, the Industry Analysis identifies industries expected to perform well over the next one-to-two years.

The Growth Analysis generates proprietary estimates for companies under coverage.

In the Financial Strength Analysis, analysts study ratios to understand profitability, liquidity and capital structure.

During the Management Assessment, analysts meet with and familiarize themselves with the processes of corporate management teams.

Quantitative trends and qualitative threats are assessed under the Risk Analysis.

And finally, Argus' Valuation Analysis model integrates a historical ratio matrix, discounted cash flow modeling, and peer comparison.

THE ARGUS RESEARCH RATING SYSTEM

Argus uses three ratings for stocks: BUY, HOLD, and SELL. Stocks are rated relative to a benchmark, the S&P 500.

- A BUY-rated stock is expected to outperform the S&P 500 on a risk-adjusted basis over a 12-month period. To make this determination, Argus Analysts set target prices, use beta as the measure of risk, and compare expected risk-adjusted stock returns to the S&P 500 forecasts set by the Argus Market Strategist.
- A HOLD-rated stock is expected to perform in line with the S&P 500.
- A SELL-rated stock is expected to underperform the S&P 500.

Argus Research Disclaimer

Argus Research Co. (ARC) is an independent investment research provider whose parent company, Argus Investors' Counsel, Inc. (AIC), is registered with the U.S. Securities and Exchange Commission. Argus Investors' Counsel is a subsidiary of The Argus Research Group, Inc. Neither The Argus Research Group nor any affiliate is a member of the FINRA or the SIPC. Argus Research is not a registered broker dealer and does not have investment banking operations. The Argus trademark, service mark and logo are the intellectual property of The Argus Research Group, Inc. The information contained in this research report is produced and copyrighted by Argus Research Co., and any unauthorized use, duplication, redistribution or disclosure is prohibited by law and can result in prosecution. The content of this report may be derived from Argus research reports, notes, or analyses. The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but Argus makes no representation as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. In addition, this content is not prepared subject to Canadian disclosure requirements. This report is not an offer to sell or a solicitation of an offer to buy any security. The information and material presented in this report are for general information only and do not specifically address individual investment objectives, financial situations or the particular needs of any specific person who may receive this report. Investing in any security or investment strategies discussed may not be suitable for you and it is recommended that you consult an independent investment advisor. Nothing in this report constitutes individual investment, legal or tax advice. Argus may issue or may have issued other reports that are inconsistent with or may reach different conclusions than those represented in this report, and all opinions are reflective of judgments made on the original date of publication. Argus is under no obligation to ensure that other reports are brought to the attention of any recipient of this report. Argus shall accept no liability for any loss arising from the use of this report, nor shall Argus treat all recipients of this report as customers simply by virtue of their receipt of this material. Investments involve risk and an investor may incur either profits or losses. Past performance should not be taken as an indication or guarantee of future performance. Argus has provided independent research since 1934. Argus officers, employees, agents and/or affiliates may have positions in stocks discussed in this report. No Argus officers, employees, agents and/or affiliates may serve as officers or directors of covered companies, or may own more than one percent of a covered company's stock. Argus Investors' Counsel (AIC), a portfolio management business based in Stamford, Connecticut, is a customer of Argus Research Co. (ARC), based in New York. Argus Investors' Counsel pays Argus Research Co. for research used in the management of the AIC core equity strategy and model portfolio and UIT products, and has the same access to Argus Research Co. reports as other customers. However, clients and prospective clients should note that Argus Investors' Counsel and Argus Research Co., as units of The Argus Research Group, have certain employees in common, including those with both research and portfolio management responsibilities, and that Argus Research Co. employees participate in the management and marketing of the AIC core equity strategy and UIT and model portfolio products.

Morningstar Disclaimer

© 2025 Morningstar, Inc. All Rights Reserved. Certain financial information included in this report: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

For Residents of Singapore

Recipients of the Research reports in Singapore should contact the Intermediary of the Research Reports in respect to any matters arising from, or in connection with, the analysis of the report. Where the recipient is not an accredited, expert or institutional investor as defined by the Securities and Futures Act, the Intermediary accepts legal responsibility for the contents of Research Reports in respect of such recipient in accordance with applicable law. When reports are distributed by Intermediaries in Singapore, the Intermediary, and not Argus Research, is solely responsible for ensuring that the recipients of the Research Reports understand the information contained in the Research Reports and that such information is suitable based on the customer's profile and investment objectives.