

**GLOBAL PAYMENTS INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except per share data)

	Years Ended December 31,		
	2019	2018	2017
Revenues	\$4,911,892	\$3,366,366	\$3,975,163
Operating expenses:			
Cost of service	2,073,803	1,095,014	1,928,037
Selling, general and administrative	2,046,672	1,534,297	1,488,258
	4,120,475	2,629,311	3,416,295
Operating income	791,417	737,055	558,868
Interest and other income	31,413	20,719	8,662
Interest and other expense	(304,905)	(195,619)	(174,847)
	(273,492)	(174,900)	(166,185)
Income before income taxes and equity in income of equity method investments	517,925	562,155	392,683
Income tax (expense) benefit	(62,190)	(77,488)	101,387
Income before equity in income of equity method investments	455,735	484,667	494,070
Equity in income of equity method investments, net of tax	13,541	—	—
Net income	469,276	484,667	494,070
Less: Net income attributable to noncontrolling interests	(38,663)	(32,614)	(25,645)
Net income attributable to Global Payments	<u>\$ 430,613</u>	<u>\$ 452,053</u>	<u>\$ 468,425</u>
Earnings per share attributable to Global Payments:			
Basic earnings per share	<u>\$ 2.17</u>	<u>\$ 2.85</u>	<u>\$ 3.03</u>
Diluted earnings per share	<u>\$ 2.16</u>	<u>\$ 2.84</u>	<u>\$ 3.01</u>

*See Notes to Consolidated Financial Statements.*

**GLOBAL PAYMENTS INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

	December 31, 2019	December 31, 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,678,273	\$ 1,210,878
Accounts receivable, net	895,232	348,400
Settlement processing assets	1,353,778	1,600,222
Prepaid expenses and other current assets	439,165	216,708
Total current assets	4,366,448	3,376,208
Goodwill	23,759,740	6,341,355
Other intangible assets, net	13,154,655	2,488,618
Property and equipment, net	1,382,802	653,542
Deferred income taxes	6,292	8,128
Other noncurrent assets	1,810,225	362,923
Total assets	<u>\$44,480,162</u>	<u>\$13,230,774</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Settlement lines of credit	\$ 463,237	\$ 700,486
Current portion of long-term debt	35,137	115,075
Accounts payable and accrued liabilities	1,822,166	1,176,703
Settlement processing obligations	1,258,806	1,276,356
Total current liabilities	3,579,346	3,268,620
Long-term debt	9,090,364	5,015,168
Deferred income taxes	3,145,641	585,025
Other noncurrent liabilities	609,822	175,618
Total liabilities	16,425,173	9,044,431
Commitments and contingencies		
Equity:		
Preferred stock, no par value; 5,000,000 shares authorized and none issued	—	—
Common stock, no par value; 400,000,000 shares authorized at December 31, 2019 and 200,000,000 shares authorized at December 31, 2018; 300,225,590 shares issued and outstanding at December 31, 2019 and 157,961,982 shares issued and outstanding at December 31, 2018	—	—
Paid-in capital	25,833,307	2,235,167
Retained earnings	2,333,011	2,066,415
Accumulated other comprehensive loss	(310,571)	(310,175)
Total Global Payments shareholders' equity	27,855,747	3,991,407
Noncontrolling interests	199,242	194,936
Total equity	28,054,989	4,186,343
Total liabilities and equity	<u>\$44,480,162</u>	<u>\$13,230,774</u>

*See Notes to Consolidated Financial Statements.*

**GLOBAL PAYMENTS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Years Ended December 31,		
	2019	2018	2017
Cash flows from operating activities:			
Net income	\$ 469,276	\$ 484,667	\$ 494,070
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and equipment	211,200	145,128	113,273
Amortization of acquired intangibles	667,135	377,685	337,878
Amortization of capitalized contract costs	66,086	51,541	45,098
Share-based compensation expense	89,634	57,826	39,095
Provision for operating losses and bad debts	100,188	43,237	48,443
Noncash lease expense	52,612	—	—
Deferred income taxes	(108,309)	(1,451)	(250,670)
Other, net	(570)	(8,025)	44,070
Changes in operating assets and liabilities, net of the effects of business combinations:			
Accounts receivable	(115,528)	(33,386)	(14,096)
Settlement processing assets and obligations, net	213,701	83,478	(361,673)
Prepaid expenses and other assets	(159,056)	(160,800)	(129,427)
Accounts payable and other liabilities	(95,091)	66,182	146,327
Net cash provided by operating activities	1,391,278	1,106,082	512,388
Cash flows from investing activities:			
Acquisitions, net of cash acquired	(644,622)	(1,259,692)	(562,688)
Capital expenditures	(307,868)	(213,290)	(181,905)
Proceeds from sale-and-leaseback transaction	—	—	37,565
Other, net	35,404	(3,305)	(28,997)
Net cash used in investing activities	(917,086)	(1,476,287)	(736,025)
Cash flows from financing activities:			
Net (repayments of) borrowings from settlement lines of credit	(236,473)	70,783	221,532
Proceeds from long-term debt	7,203,903	2,774,214	1,994,324
Repayments of long-term debt	(6,484,689)	(2,304,314)	(1,781,541)
Payments of debt issuance costs	(43,599)	(16,345)	(9,520)
Repurchases of common stock	(311,383)	(208,198)	(34,811)
Proceeds from stock issued under share-based compensation plans	24,514	14,318	10,115
Common stock repurchased — share-based compensation plans	(62,577)	(31,510)	(31,761)
Distributions to noncontrolling interests	(31,632)	(5,686)	(9,301)
Preacquisition dividends paid to former TSYS shareholders	(23,240)	—	—
Dividends paid	(63,498)	(6,332)	(6,732)
Net cash (used in) provided by financing activities	(28,674)	286,930	352,305
Effect of exchange rate changes on cash	21,877	(41,702)	44,408
Increase (decrease) in cash and cash equivalents	467,395	(124,977)	173,076
Cash and cash equivalents, beginning of the period	1,210,878	1,335,855	1,162,779
Cash and cash equivalents, end of the period	\$ 1,678,273	\$ 1,210,878	\$ 1,335,855

*See Notes to Consolidated Financial Statements.*