

QUARTERLY STATEMENT AS AT 30 SEPTEMBER 2018



- Transaction volume increased by 44 percent
- Group revenue increased by 41 percent
- 38 percent increase in EBITDA
- Net result increased by 49 percent
- EBITDA 2018 guidance increased

WIRECARD GROUP	9M 2018	9M 2017	
Revenue	1,444.7	1,021.4	EUR m
EBITDA	395.4	286.6	EUR m
EBIT	318.6	218.3	EUR m
Earnings per share (undiluted)	2.02	1.36	EUR
Shareholders' equity	1,809.7	1,547.0	EUR m
Total assets	5,195.1	4,212.2	EUR m
Cash flow on ordinary transactions (adjusted)	310.1	234.0	EUR m
Employees (average)	5,082	4,368	
of which part time	323	313	

CEO Markus Braun: "We expect strong business growth in both the fourth quarter of 2018 and also the coming fiscal year 2019."

Quarterly Statement for the first nine months of 2018

1. Preliminary remark about this Quarterly Statement

Wirecard AG generally publishes its figures in EUR billion and EUR million (previous: in thousands of euros). As a result of rounding, it is possible that the individual figures do not add up exactly to form the totals stated and that the figures and percentages do not give an exact representation of the absolute values to which they relate.

The comparability of the figures is limited due to the first time application of IFRS 9 and IFRS 15 as of 1 January 2018 and the absence of retrospective presentation for the financial year 2017. The differences resulting from the changed accounting methods are recognized directly in equity as of 1 January 2018.

2. Information about Wirecard

Wirecard AG is one of the world's fastest growing digital platforms in the area of financial commerce. We provide both business customers and consumers with a constantly expanding ecosystem of real-time value-added services built around innovative digital payments by using an integrated B2B2C approach. This ecosystem concentrates on the areas payment & risk, retail & transaction banking, loyalty & couponing and data analytics & conversion rate enhancement in all sales channels (online, mobile, ePOS). Wirecard operates regulated financial institutions in several key markets and holds issuing as well as acquiring licenses from all major payment and card networks. Wirecard AG is listed on the Frankfurt Stock Exchange (DAX and TecDAX, ISIN DE0007472060, WDI). Inclusion in the DAX, Germany's leading index, took place during the reporting period on 24 September 2018. Visit us on www.wirecard.com, follow us on Twitter @wirecard and on Facebook @wirecardgroup.

3. Business performance in the period under review

On the basis of external forecasts and taking into account the geographical and sector-specific alignment of Wirecard AG, the management anticipates market growth of 16 to 17 percent in 2018 in the core European market and global market relevant to Wirecard. In the first nine months of 2018, the market, relevant for Wirecard, grew in line with this forecast.

Wirecard AG achieved its operating targets and increased the number of large and medium-sized customers to around 40 thousand. The number of small customers is around 225 thousand. In the company's core business, it was possible to expand cooperation with numerous existing customers. New customers and partners were acquired from all industries and sectors. The company thus concluded additional agreements with, for example, TeleClinic, Fortress, Reading, Aston Villa, Moonrise, Weizmann Forex, Elo7, Kyivstar, Advanon, Olympus,

Villero & Boch, Reise Bank, Afirme, Qatar Airways, SES-imagotag, Air Namibia, Allianz Prime, Mercateo Unite, Sodexo, TransferWise, Crédit Agricole Payment Services, Mizuho Bank, Playa Games, Travel Easy, FedEx Express, Fitbit, EMP, Garmin, Gameforge, Denizen (BBVA), Pflanzen-Kölle, Mammut, Google Pay, Genting Cruise Lines, Australian Federation of Travel Agents, reifen.com, Visa, Mastercard, Breuninger, Giuseppe Zanotti, MCM, ENIO, Telenor, T-Systems, Isuzu, Natura, SAP, EZ-Link, Cheers, Viessmann, comdirect, Gebr. Heinemann, Wirelane, Krämer, IKEA, Jet Airways, Q Versicherung, Cognigy, RHB Bank, Continental, DIHK, PVH/ TOMMY HILFIGER and CALVIN KLEIN, KaDeWe Group, Möbel Inhofer, TAV, Petrol/ MBI and Spendit either during or after the reporting period.

On 13 March 2017, Wirecard AG agreed to the acquisition of the customer portfolio of Citi's credit card acceptance business in eleven Asian-Pacific markets with the Citigroup subsidiaries Citibank N.A. and Citibank Overseas Investment Corporation. The transaction comprises a customer portfolio of more than 20,000 retailers, particularly from the travel and mobility sector, the financial services sector, luxury goods, retail trade and technology and telecommunications in the following countries: Singapore, Hong Kong, Macau, Malaysia, Taiwan, Indonesia, the Philippines, Thailand, India, Australia and New Zealand.

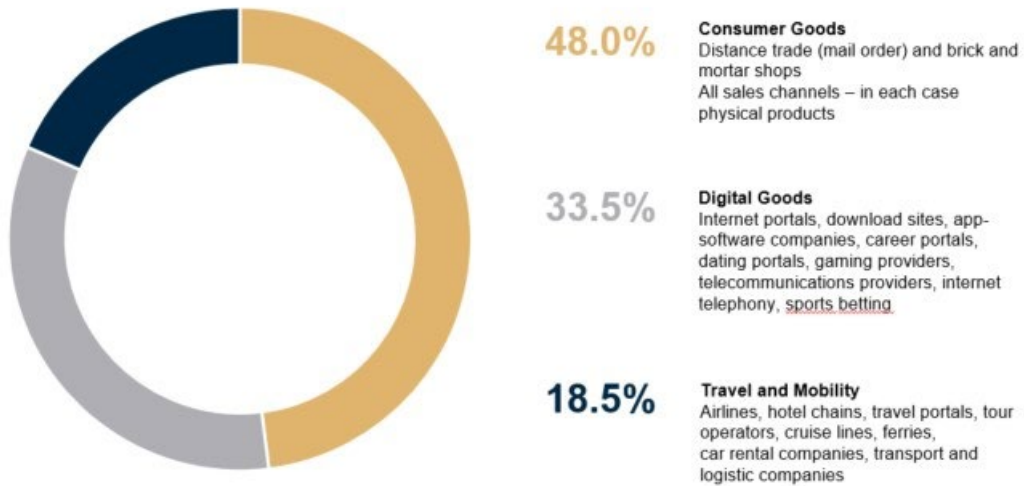
Wirecard AG experienced a very successful operating growth in the reporting period. Fee income from the core business of Wirecard AG, namely the acceptance and issuing of means of payment along with associated value added services, is generally proportionate to the transaction volumes processed. The transaction volume in the first nine months of 2018 was EUR 90.2 billion (9M 2017: EUR 62.5 billion), which corresponds to growth of around 44 percent. The transaction volume generated within Europe grew by approximately 21 percent to EUR 45.2 billion (9M 2017: EUR 37.3 billion), while the volume generated outside Europe grew by approximately 78 percent to EUR 45.0 billion (9M 2017: EUR 25.3 billion).

Transaction Volume 9M 2018/9M 2017

in bn. EUR	9M 2018	9M 2017	Change in percent
Europa	45.2	37.3	21.1%
Out of Europe	45.0	25.3	78.4%
Total	90.2	62.5	44.2%

Developments in the individual target sectors were thoroughly positive with numerous new customer acquisitions. The area of consumer goods recorded an increase of the transaction volume by approx. 40 percent to EUR 43.3 billion (9M 2017: EUR 31.0 billion), digital goods increased by approx. 50 percent to EUR 30.2 billion (9M 2017: EUR 20.1 billion) and travel and mobility increased by approx. 46 percent to EUR 16.7 billion (9M 2017: EUR 11.4 billion).

The respective shares of the overall transaction volume is as follows:



Outlook

The Management Board expects the positive business performance to continue in the remainder of 2018 and is not aware of any significant changes to the forecasts for the macroeconomic and sector-specific framework conditions described in detail in the Annual Report. The Management Board increases its EBITDA forecast for the remainder of the 2018 fiscal year of operating earnings before interest, tax, depreciation and amortization of between EUR 550 million and EUR 570 million (previous guidance: between EUR 530 million and EUR 560 million).

4. Notes to the consolidated income statement

Results of operations

In the nine-month period 2018, Wirecard Group achieved further significant growth in both revenues and operating profit.

Group gross profit (revenues including own work capitalised less cost of materials) increased by 34.0 percent to EUR 679.8 million in the nine-month period 2018 (9M 2017: EUR 507.3 million).

Revenue trend

In the nine-month period 2018, consolidated revenues in total grew by 41.4 percent from EUR 1,021.4 million to EUR 1,444.7 million compared to the same period of the previous year.

Revenues generated in the nine-month period 2018 in the core segment of Payment Processing & Risk Management, arising from risk management services and the processing of online payment transactions, increased by 44.9 percent from EUR 720.4 million to EUR 1,043.7 million.

The share of the total consolidated revenues accounted for by the Acquiring & Issuing segment grew due to the organic growth and the acquisitions in the previous fiscal year by 29.6 percent in the nine-month period 2018 to EUR 453.1 million (9M 2017: EUR 349.6 million), of which the share accounted for by Issuing amounted to EUR 196.7 million in the nine-month period 2018 (9M 2017: EUR 142.5 million).

The interest income generated by the Acquiring & Issuing segment in the nine-month period 2018 totalled EUR 15.0 million (9M 2017: EUR 8.9 million) and is recognised as revenues.

Trends in key expense items

Group personnel expenses rose to EUR 172.0 million in the nine-month period 2018, up by 29.0 percent year on year (9M 2017: EUR 133.3 million). In addition to the organic growth within the Wirecard Group and the associated increase in headcounts, the development in personnel expenses is also attributable to the related acquisitions in the previous fiscal year, which limits the comparability of this position with the previous year. The consolidated personnel expense ratio decreased by 1.2 percentage points year on year to 11.9 percent.

Other operating expenses amounted to EUR 119.2 million within the Wirecard Group in the nine-month period 2018 (9M 2017: EUR 96.4 million), which corresponds to 8.3 percent of revenue (9M 2017: 9.4 percent). Compared to the same period of the previous year, the breakdown of other operating expenses is as follows:

Other operating expenses		
in EUR million	9M 2018	9M 2017
Legal and financial statement costs	9.7	8.4
Consulting expenses and consulting-related expenses	20.7	19.4
Office expenses	13.7	11.2
Equipment and leasing	18.3	13.2
Travel, sales and marketing	15.3	14.5
Personnel-related expenses	12.8	11.1
Insurance payments, contributions and levies	3.2	2.5
Other	25.5	16.1
Total	119.2	96.4

EBITDA trends

The pleasant growth in earnings is due to the increase in transaction volumes processed by the Wirecard Group, scaling effects from the transaction-oriented business model, the M&A activities in previous year and from the increased use of the group-wide banking services.

The Wirecard Group's operating earnings before interest, tax, depreciation and amortisation (EBITDA) grew in the nine-month period 2018 by 38.0 percent, from EUR 286.6 million in the prior year period to EUR 395.4 million. The EBITDA margin decreased to 27.4 percent in the nine-month period 2018 (9M 2017: 28.1 percent).

The EBITDA of the Payment Processing & Risk Management segment was EUR 335.0 million in the nine-month period 2018 and grew by 49.9 percent (9M 2017: EUR 223.4 million). The share of the EBITDA accounted for by the Acquiring & Issuing segment in the nine-month period 2018 totaled to EUR 60.7 million (9M 2017: EUR 62.2 million), of which the share of the EBITDA accounted for by Issuing in the nine-month period 2018 amounted to EUR 28.3 million (9M 2017: EUR 29.6 million).

Financial result

The financial result in the Group amounted to EUR – 16.0 million in the nine-month period 2018 (9M 2017: EUR – 14.9 million). In the nine-month period 2018, financial expenses amounted to EUR 25.7 million (9M 2017: EUR 19.5 million) and financial income amounted to EUR 9.7 million (9M 2017: EUR 4.5 million) in the Group.

Taxes

Owing to the international orientation of the Group, the cash tax rate (excluding deferred taxes) amounted to 10.4 percent in the nine-month period 2018 (9M 2017: 17.2 percent). Including deferred taxes, the tax rate resulted in 17.3 percent (9M 2017: 17.2 percent).

Earnings after tax

Earnings after tax in the nine-month period 2018 increased by 48.5 percent year on year, rising from EUR 168.5 million to EUR 250.2 million.

Earnings per share

The average number of issued shares on an undiluted basis amounted to 123,565,586 shares in the nine-month period 2018 (9M 2017: 123,565,586 shares). Basic (undiluted) earnings per share stood at EUR 2.02 in the nine-month period 2018 (9M 2017: EUR 1.36).

5. Notes to the consolidated statement of financial position – assets**5.1 Intangible assets**

Intangible assets comprises of goodwill, customer relationships, internally-generated intangible assets and other intangible assets.

Goodwill and customer relationships

In the reporting period, goodwill changed primarily as a result of the acquisition of the customer portfolio in Malaysia and in India in context of Citi's credit card acceptance business in the Asian-Pacific area and as a result of currency-related valuations as of the reporting date as well. As of 30 September 2018, goodwill totaled EUR 660.4 million (31 December 2017: EUR 675.8 million) and is assigned for the following cash-generating units:

Goodwill		
in EUR million	30 Sept 2018	31 Dec 2017
Payment Processing & Risk Management	516.2	528.1
Acquiring & Issuing	144.0	147.4
Call Center & Communication Services	0.3	0.3
Total	660.4	675.8
Less: impairment losses	0.0	0.0
	660.4	675.8

The change in the item customer relationships of EUR 30.1 million in the reporting period is primarily related to amortisation and currency-related valuations as of the reporting date. Amortisation commences with the flow of benefits and is performed over the expected length of each customer relationship.

Further information on the acquisition of customer portfolios in connection with Citi's credit card acceptance business in eleven Asian-Pacific markets can be found in section 1.1 Business activities and legal background, especially in the subsection Business combinations in the Annual Report 2017.

5.2 Property, plant and equipment

The carrying amount of technical equipment as well as operating and office equipment held as part of finance leases as of 30 September 2018 was EUR 21.3 million (31 December 2017: EUR 20.7 million) and is reported under property, plant and equipment. The leased items serve as security for the respective obligations from the finance leasing agreements.

5.3 Financial and other assets / interest bearing securities

Financial and other assets / interest bearing securities as of 30 September 2018 totaled EUR 386.1 million (31 December 2017: EUR 310.2 million). These break down as follows on the related reporting date:

Breakdown of financial and other assets / interest-bearing securities			
in EUR million		30 Sept 2018	31 Dec 2017
Visa preferred stock		26.5	19.4
Financing agreements (amongst others sales partner)		17.8	20.8
Convertible bonds		42.1	41.9
Securities		2.3	1.8
Securities/collared floaters		43.3	44.6
Receivables from bank business (mostly from FinTech business)		152.5	141.4
Other M&A related assets		80.7	31.9
Other		21.0	8.3
		386.1	310.2

As part of the purchase price allocations related to the acquisition of Citi's credit card acceptance business in the Asia-Pacific region, various other assets were identified that were recognised accordingly in a separate item. These are accounting-specific rules for the accounting of various contractual rights and assets in accordance with IFRS 3.

5.4 Receivables of the acquiring business

Depending on the reporting date and the payment cycle, the statement of financial position items receivables of acquiring business and liabilities of acquiring business (less commissions and charges) are subject to considerable fluctuations from one reporting date to another. These fluctuations occur in particular due to delayed payouts on account of the public holidays between reporting periods. During the actual processing of the transactions, it is also sometimes possible that the payment of credit card volumes from Wirecard to the retailer already takes place before the funds are received from the credit card companies. This prefinancing product developed very positively, particularly in Brazil and in the newly added Asian-Pacific portfolios. This results in, amongst other things, higher receivables in comparison to the corresponding liabilities.

5.5 Trade and other receivables

The item trade and other receivables can be split as follows:

Trade and other receivables		
in EUR million	30 Sept 2018	31 Dec 2017
Receivables from bank business (mostly from FinTech business)	106.5	102.5
Receivables from prepaid card business	41.4	19.0
Other trade receivables	117.4	94.8
Other receivables	87.7	53.3
	352.9	269.7

In the context of the initial application of IFRS 15 (Revenue from Contracts with Customers) as of 1 January 2018, there was a change in the date at which the revenue is recognised for certain non-transaction-based businesses. This change results in a deferred item which has since been recognized under receivables from prepaid card business.

5.6 Cash and cash equivalents

As of 30 September 2018, the item cash and cash equivalents amounting to EUR 2,029.8 million (31 December 2017: EUR 1,901.3 million) includes cash in hand and bank balances (demand deposits, fixed-term deposits with a term of up to three months and overnight (call money) deposits). These also include resources from current customer deposits of Wirecard Bank AG and Wirecard Card Solutions Ltd. which are not placed in interest-bearing securities (30 September 2018: EUR 1,051.6 million; 31 December 2017: EUR 973.2 million) as well as funds derived from the acquiring business of Wirecard Bank AG (30 September 2018: EUR 283.0 million; 31 December 2017: EUR 240.9 million). To improve its interest income, Wirecard invested some of the customer deposits in various short, medium and long-term interest bearing securities (collared floaters and interest-bearing securities). These are reported under non-current financial and other assets as well as under current interest-bearing securities according to their term. Excluding the purchase of these securities and the fixed-term deposits with a term of more than three months, the item cash and cash equivalents as of 30 September 2018 would have been EUR 394.8 million higher in total (31 December 2017: EUR 155.6 million).

6. Notes to the consolidated statement of financial position – equity and liabilities

6.1 Subscribed capital

As of 30 September 2018, the subscribed capital was EUR 123.6 million (31 December 2017: EUR 123.6 million) and comprised of 123,565,586 (31 December 2017: 123,565,586) no-par value shares with a notional interest in the common stock of EUR 1.00 per share.

6.2 Retained earnings

At the Annual General Meeting 2018 on 21 June 2018, a resolution was passed to pay a dividend of EUR 0.18 per dividend-entitled ordinary share to the shareholders, corresponding to a total amount of EUR 22.2 million. In the previous year 2017, the dividend payment amounted to EUR 0.16 per dividend-entitled ordinary share, which corresponded to an amount in total of EUR 19.8 million.

6.3 Other components of equity

Revaluation reserve

In fiscal year 2016, Wirecard sold all of its shares in Visa Europe Ltd. As a consideration for the sale of the shares Wirecard received preferred stock in Visa Inc. which was allocated as financial assets in the category “available-for-sale” at this time. Accordingly, the fair value (after taxes) of the asset was revaluated and disclosed in the revaluation reserve in accordance with IAS 39. In connection of the initial application of IFRS 9 (Financial Instruments) as of 1 January 2018 the amount previously recognized in the revaluation reserve of EUR 5.3 million was fully reclassified to retained earnings.

Translation reserve

The foreign currency translation reserve changed in the nine-month period 2018 due to foreign currency conversions with no effect on profit or loss according to IAS 21 from EUR –57.6 million as of 31 December 2017 to EUR –97.2 million as of 30 September 2018. This development is primarily caused by goodwill and customer relationships capitalized in foreign currencies that result from acquisitions made in the reporting or in a previous period, respectively.

6.4 Non-current Liabilities

Non-current liabilities are split into non-current interest-bearing liabilities, other non-current liabilities and deferred tax liabilities.

Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are related to the financing of the acquisitions made in the reporting period and in the previous years as well. They increased by EUR 443.8 million from EUR 754.8 million as of 31 December 2017 to EUR 1,198.6 million as of 30 September 2018. This increase is related to the scheduled transfer of bridge loans taken up for the acquisitions made in the previous year to the existing syndicated loan, which was increased accordingly.

Other non-current liabilities

The split of other non-current liabilities is as follows:

Other non-current liabilities		
in EUR million	30 Sept 2018	31 Dec 2017
Earnout liabilities	15.2	16.8
Lease liabilities	14.7	13.7
Variable remuneration and pension benefits	1.8	1.9
Other M&A related liabilities	105.2	52.4
Other non-current liabilities	5.3	0.7
	142.2	85.4

The portion of earnout components and current purchase price liabilities that is due within one year amounts to EUR 29.5 million as of 30 September 2018 (31 December 2017: EUR 42.6 million) and is disclosed under current liabilities, accordingly.

As part of the purchase price allocation related to the acquisition of Citi's credit card acceptance business in the Asia-Pacific region, further other non-current liabilities were identified that were recognised accordingly in a separate item. These are accounting-specific rules for the accounting of various contractual obligations and liabilities in accordance with IFRS 3.

Deferred tax liabilities

Deferred tax liabilities of EUR 87.6 million as of 30 September 2018 (31 December 2017: EUR 76.9 million) refer to temporary differences between the carrying amounts of assets and liabilities in the tax statement of financial position and their carrying amounts in the consolidated statement of financial position according to IFRS. These are reported under non-current liabilities and result primarily from intangible assets identified in the course of acquisitions in previous years.

6.5 Current liabilities

Current liabilities are broken down into liabilities of the acquiring business, trade payables, interest-bearing liabilities, other provisions, other liabilities and customer deposits from banking operations of Wirecard Bank AG and Wirecard Card Solutions Ltd. as well as tax provisions.

Liabilities of the acquiring business

The items liabilities of acquiring business and receivables of acquiring business of Wirecard are mainly characterised by the transaction volume of retailers that utilise Wirecard's payment services. If the transactions are processed via licensed acquirers that belong to the Wirecard Group, the amount of the transaction volume remains under trade payables to retailers until the payment is made. Depending on the means of payment and the contractual provisions, this can take place daily, weekly or monthly, whereby a security reserve is generally held for longer periods of time. In individual cases, particularly when dealing with large customers who want to optimise their own cash management, Wirecard agrees to replace these security reserves with bank guarantees, government-backed guarantees or similar sureties, as well as to even completely dispose with a security reserve if dealing with state-owned retailers. These reduce the item trade payables and also decelerate the increase of this item.

Depending on the reporting date and the payment cycle, the statement of financial position items liabilities of acquiring business and receivables of acquiring business (less commissions and charges) are subject to considerable fluctuations from one reporting date to another. These fluctuations occur in particular due to delayed payouts on account of the public holidays between respective reporting periods. During the actual processing of the transactions, it is also sometimes possible that the payment credit card volumes from Wirecard to the retailer already takes place before the funds are received from the credit card companies. This could result in, amongst other things, higher receivables in comparison to the corresponding liabilities.

Trade payables

Trade payables comprises of payables from the operating business that are not allocated to the area of acquiring (acquiring business) due to their nature.

Interest-bearing liabilities

The interest-bearing liabilities of EUR 112.0 million (31 December 2017: EUR 311.6 million) primarily comprise loans that are due within one year. In this context, reference is also made to the comments on non-current interest-bearing liabilities.

Other liabilities

The breakdown for this item is as follows:

Other liabilities		
in EUR million	30 Sept 2018	31 Dec 2017
Accruals	81.6	58.7
Lease liabilities	11.9	12.4
Purchase price liabilities	29.5	42.6
Other	42.3	35.7
	165.3	149.4

Customer deposits from banking operations

This item includes customer deposits in a total amount of EUR 1,051.6 million as of 30 September 2018 (31 December 2017: EUR 973.2 million) with Wirecard Bank AG and Wirecard Card Solutions Ltd.

7. Notes to the consolidated cash flow statement**7.1 Cash flow from operating activities**

The cash flow from operating activities before banking operations in the nine-month period 2018 changed from EUR 189.6 million in the same period of the previous year to EUR 244.8 million, mainly due to the special systematic used in acquiring, which is impacted by cut-off date effects of a transitory nature inherent in the business model. It should be especially noted in this context that because of a very sharp increase in the cash flow from operating activities in the fourth quarter of 2017, which was mainly due to delayed payouts on account of the public holidays, an opposite cash flow trend is occurred in the nine-month period 2018.

In the nine-month period 2018, cash flow from the banking operations of EUR –195.5 million was generated (9M 2017: EUR 176.2 million). The main reason for this development is the increase in investments in short-termed securities. The (unadjusted) cash flow from operating activities thus amounted to EUR 49.3 million in the nine-month period 2018, compared to EUR 365.7 million in the same period of the previous year.

7.2 Cash flow from investing activities

The cash outflows for investments mainly comprises the following:

Substantial cash outflows for investments		
in EUR million	9M 2018	9M 2017
Strategic transactions/M&A	41.1	240.5
Internally-generated intangible assets	31.1	29.3
Other intangible assets (software)	8.5	12.8
Property, plant and equipment	13.2	10.7

7.3 Cash flow from financing activities

Cash flow from financing activities in the nine-month period 2018 mainly concerns cash inflows from drawing down of financial liabilities amounting to EUR 648.0 million (9M 2017: EUR 425.4 million) in connection with the scheduled transfer of bridge loans taken up for the acquisitions made in the previous year to the existing syndicated loan, which was increased accordingly. Respectively, a cash outflow for the redemption of financial liabilities of EUR –406.9 million (9M 2017: EUR –25.5 million) was made. In addition, financing was carried out as part of finance leases, which resulted in a net cash flow of EUR –10.7 million (9M 2017: EUR –9.1 million). Cash flow from financing activities also reports outgoing cash flows for the acquisition of companies in previous years in an amount of EUR –20.0 million (9M 2017: EUR –65.2 million).

7.4 Net Cash Positions

Net Cash Position - Wirecard			
in EUR million		30 Sept 2018	31 Dec 2017
Cash and cash equivalents		2,029.8	1,901.3
Interest-bearing securities and fixed-term deposits		2.3	1.8
Receivables of the acquiring business and trade and other receivables		943.0	711.7
Interest-bearing liabilities / other liabilities		-277.3	-461.0
Customer deposits from banking operations	-1,051.6	-659.1	-973.2
Non-current interest-bearing securities	43.3		44.6
Interest-bearing securities and fixed-term deposits	349.2		109.1
Liabilities of the acquiring business and trade payables		-586.6	-494.0
Net Cash Position - Wirecard		1,452.1	840.4

The calculation shown in the table also contains liabilities from M&A projects and earnout obligations reported as liabilities. To gain a non-current view of the net cash items, the items non-current interest-bearing liabilities and other non-current liabilities, as well as non-current financial and other assets / interest bearing securities, are taken into account. This calculation also shows the solid financial situation of Wirecard Group as in previous years.

Net Cash Position (long term view) - Wirecard			
in EUR million		30 Sept 2018	31 Dec 2017
Net Cash Position - Wirecard		1,452.1	840.4
Long term interest-bearing financial assets	386.1	340.6	310.2
(thereof customer deposit related)	45.5		46.5
Non-current interest-bearing liabilities		-1,198.6	-754.8
Other non-current liabilities		-142.2	-85.4
Non-current Net Cash position		451.9	263.9

Alongside the loans recognised in the consolidated statement of financial position, additional credit lines from commercial banks amounting to EUR 583.3 million are available as of 30 September 2018 (31 December 2017: EUR 278.0 million).

7.5 Free cash flow

Free cash flow		
in EUR million	30 Sept 2018	30 Sept 2017
Cash flow from operating activities (adjusted)	310.1	234.0
Operative CAPEX	52.8	52.8
Free cash flow	257.3	181.2

After investments in new and innovative products that will only lead to appreciable cash flows in subsequent years, the cash conversion rate thus stands at 102.8 percent as of 30 September 2018 (30 September 2017: 107.5 percent).

Cash conversion		
in EUR million	30 Sept 2018	30 Sept 2017
Free cash flow	257.3	181.2
Earnings after tax	250.2	168.5
Cash conversion in percent	102.8	107.5

8. Other notes

8.1 Segment reporting

Revenues and EBITDA fall into the following operating segments: “Payment Processing & Risk Management”, “Acquiring & Issuing” and “Call Center & Communication Services”.

Due to the constant, ongoing internationalisation of the Wirecard Group and its global presence, Wirecard splits its revenues and EBITDA geographically in the segment reporting from the previous fiscal year 2017 according to the geographic regions of “Europe” including Germany, “Asia and Pacific” and “America and Africa” including North and South America. This information is given according to the production location, i.e. the registered office of the subsidiaries.

Revenues by operating segment		
in EUR million	9M 2018	9M 2017
Payment Processing & Risk Management (PP&RM)	1,043.7	720.4
Acquiring & Issuing (A&I)	453.1	349.6
Call Center & Communication Services (CC&CS)	6.8	7.5
	1,503.5	1,077.6
Consolidation PP&RM	-37.6	-33.5
Consolidation A&I	-16.3	-17.8
Consolidation CC&CS	-4.9	-4.9
Total	1,444.7	1,021.4

EBITDA by operating segment		
in EUR million	9M 2018	9M 2017
Payment Processing & Risk Management	335.0	223.4
Acquiring & Issuing	60.7	62.2
Call Center & Communication Services	-0.1	0.9
	395.6	286.6
Consolidations	-0.2	0.0
Total	395.4	286.6

Regional revenue breakdown

in EUR million	9M 2018	9M 2017
Europe (incl. Germany)	721.4	559.5
Asia Pacific	663.6	382.0
America and Africa	135.0	106.0
	1,520.0	1,047.6
Consolidation Europe	-68.5	-19.7
Consolidation Asia Pacific	-6.3	-6.5
Consolidation America and Africa	-0.5	0.0
Total	1,444.7	1,021.4

EBITDA by region

in EUR million	9M 2018	9M 2017
Europe (incl. Germany)	193.4	152.5
Asia Pacific	161.7	108.1
America and Africa	40.3	26.0
	395.4	286.6
Consolidations	0.0	0.0
Total	395.4	286.6

Financial information



Consolidated statement of financial position – assets

in EUR million	30 Sept 2018	31 Dec 2017
ASSETS		
I. Non-current assets		
1. Intangible assets		
Goodwill	660.4	675.8
Customer relationships	454.8	484.9
Internally-generated intangible assets	135.6	120.0
Other intangible assets	125.1	109.0
	1,375.9	1,389.8
2. Property, plant and equipment	62.8	57.5
3. Investments accounted for using the equity method	14.2	14.6
4. Financial and other assets / interest-bearing securities	386.1	310.2
5. Tax credits		
Deferred tax assets	6.9	9.1
Total non-current assets	1,845.8	1,781.1
II. Current assets		
1. Inventories and work in progress	11.4	13.3
2. Receivables of the acquiring business	590.1	442.0
3. Trade and other receivables	352.9	269.7
4. Tax credits		
Tax refund entitlements	15.8	11.0
5. Interest-bearing securities and fixed-term deposits	349.2	109.1
6. Cash and cash equivalents	2,029.8	1,901.3
Total current assets	3,349.3	2,746.4
Total assets	5,195.1	4,527.5

Consolidated statement of financial position – equity and liabilities

in EUR million	30 Sept 2018	31 Dec 2017
EQUITY AND LIABILITIES		
I. Equity		
1. Subscribed capital	123.6	123.6
2. Capital reserve	494.7	494.7
3. Retained earnings	1,288.6	1,069.2
4. Other components of equity	- 97.2	- 52.3
Total equity	1,809.7	1,635.2
II. Liabilities		
1. Non-current liabilities		
Non-current interest-bearing liabilities	1,198.6	754.8
Other non-current liabilities	142.2	85.4
Deferred tax liabilities	87.6	76.9
	1,428.4	917.1
2. Current liabilities		
Liabilities of the acquiring business	517.7	422.6
Trade payables	68.9	71.4
Interest-bearing liabilities	112.0	311.6
Other provisions	5.6	2.4
Other liabilities	165.3	149.4
Customer deposits from banking operations	1,051.6	973.2
Tax provisions	35.9	44.6
	1,957.0	1,975.2
Total liabilities	3,385.4	2,892.3
Total equity and liabilities	5,195.1	4,527.5

Consolidated income statement

in EUR million	1 Jul 2018 – 30 Sept 2018	1 Jul 2017 – 30 Sept 2017
Revenues	547.1	405.9
Own work capitalised	10.3	10.2
Cost of materials	302.9	219.8
Gross profit	254.5	196.3
Personnel expenses	60.0	47.5
Other operating expenses	45.6	39.0
Other operating income	1.2	0.5
Share of profit or loss from associates (at equity)	- 0.1	- 0.2
EBITDA	150.1	110.1
Amortisation/depreciation	26.0	23.7
EBIT	124.1	86.4
Financial result	- 4.6	- 5.3
Other financial income	4.7	1.9
Financial expenses	9.2	7.1
Earnings before tax *	119.5	81.1
Income tax expense	22.5	17.1
Earnings after tax *	97.0	64.0
Earnings per share (basic and diluted) in EUR	0.78	0.51
Average shares outstanding(basic)	123,565,586	123,565,586
Average shares outstanding(diluted)	123,565,586	123,565,586
EBITDA	150.1	110.1
Amortisation and depreciation (M&A adjusted) **	16.5	13.8
EBIT adjusted **	133.6	96.3
Amortisation and depreciation (M&A-related)	9.5	9.9
EBIT	124.1	86.4

* Attributable entirely to the shareholders of the parent company

** Adjusted by amortisation of assets which result from business combinations and acquired customer relationships (M&A-related)

Consolidated income statement

1 Jan 2018 – 30 Sept 2018	1 Jan 2017 – 30 Sept 2017	in EUR million
1,444.7	1,021.4	Revenues
31.1	29.3	Own work capitalised
796.0	543.4	Cost of materials
679.8	507.3	Gross profit
172.0	133.3	Personnel expenses
119.2	96.4	Other operating expenses
7.2	9.1	Other operating income
- 0.4	- 0.2	Share of profit or loss from associates (at equity)
395.4	286.6	EBITDA
76.9	68.2	Amortisation/depreciation
318.6	218.3	EBIT
- 16.0	- 14.9	Financial result
9.7	4.5	Other financial income
25.7	19.5	Financial expenses
302.6	203.4	Earnings before tax *
52.3	34.9	Income tax expense
250.2	168.5	Earnings after tax *
2.02	1.36	Earnings per share (basic and diluted) in EUR
123,565,586	123,565,586	Average shares outstanding(basic)
123,565,586	123,565,586	Average shares outstanding(diluted)
395.4	286.6	EBITDA
47.9	38.8	Amortisation and depreciation (M&A adjusted) **
347.5	247.7	EBIT adjusted **
28.9	29.4	Amortisation and depreciation (M&A-related)
318.6	218.3	EBIT

Consolidated cash flow statement

in EUR million	1 Jan 2018 – 30 Sept 2018	1 Jan 2017 – 30 Sept 2017
Earnings after tax	250.2	168.5
Financial result	16.0	14.9
Income tax expense	52.3	34.9
Gain/loss from disposal of non-current assets	- 0.4	0.0
Amortisation/depreciation	76.9	68.2
Change from currency translation differences	0.6	0.2
Change in inventories	1.9	- 1.4
Change in receivables	- 232.9	- 84.9
Change in liabilities of the acquiring business and trade payables	92.9	- 14.2
Change in other assets and liabilities	31.4	25.0
Net cash outflow arising from income tax	- 44.0	- 22.7
Interest paid excluding interest on loans and finance lease	- 0.5	- 1.6
Interest received	0.3	2.6
Cash flow from operating business before banking operations	244.8	189.6
Change in non-current assets of banking operations	- 24.8	- 41.6
Change in current assets of banking operations	- 248.7	44.6
Change in customer deposits of banking operations	78.0	173.2
Cash flow from operating business of banking operations	- 195.5	176.2
Cash flow from operating activities	49.3	365.7
Cash outflows for investments in intangible assets	- 73.3	- 46.0
Cash outflows for investments in property, plant and equipment	- 13.2	- 10.7
Cash inflows from investments in financial assets and interest-bearing securities	2.0	1.0
Cash outflows for acquisition of consolidated companies less acquired cash	- 7.4	- 236.6
Cash flow from investing activities	- 91.9	- 292.2
Cash outflows for previous years' acquisitions of companies	- 20.0	- 65.2
Redemption of lease liabilities	- 10.7	- 9.1
Cash inflows from drawing down of financial liabilities	648.0	425.4
Cash outflows for expenses for drawing down of financial liabilities	- 7.1	- 5.0
Cash outflows for repayment of financial liabilities	- 406.9	- 25.5
Dividends paid	- 22.2	- 19.8
Interest paid on loans and finance leases	- 8.9	- 7.7
Cash flow from financing activities	172.2	293.2
Net change in cash and cash equivalents	129.5	366.6
Exchange-rate- and revaluation-related changes to cash and cash equivalents	- 6.9	- 6.2
Cash and cash equivalents at start of period	1,895.9	1,331.5
Cash and cash equivalents at end of period	2,018.5	1,691.9

Consolidated cash flow from operating activities (adjusted)		
in EUR million	1 Jan 2018 – 30 Sept 2018	1 Jan 2017 – 30 Sept 2017
Earnings after tax	250.2	168.5
Financial result	16.0	14.9
Income tax expense	52.3	34.9
Gain/loss from disposal of non-current assets	- 0.4	0.0
Amortisation/depreciation	76.9	68.2
Change from currency translation differences	0.6	0.2
Change in inventories	1.9	- 1.4
Change in receivables	- 70.4	- 35.4
Change in trade payables	- 4.3	- 19.3
Change in other assets and liabilities	31.4	25.0
Net cash outflow arising from income tax	- 44.0	- 22.7
Interest paid excluding interest on loans and finance lease	- 0.5	- 1.6
Interest received	0.3	2.6
Cash flow from operating activities (adjusted)	310.1	234.0

Receivables and liabilities of acquiring business are transitory in nature and subject to substantial fluctuations from one reporting date to another as, inherent to the business model, these statements of financial position items are significantly influenced by the overall transaction volume and the security reserves. Receivables of acquiring business mainly comprise receivables from credit card organisations, banks and acquiring partners and liabilities exist to retailers. The customer deposits from the banking business and corresponding securities or receivables from the banking business likewise constitute items that can be eliminated for the cash flow (adjusted). To simplify the identification and reporting of the cash-relevant portion of the Company's own earnings, Wirecard AG has decided to present a further statement in addition to the usual statement of cash flow from operating activities with those items eliminated.

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