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Our Transformation

We have what so many innovators often lack – the ability to distribute to a large client base. We have a unique opportunity to invest in innovation, integrate new innovations into our existing offerings, and leverage the scale of our distribution. Our team’s deep expertise in technology, commerce, security, operations, and control can all be harnessed to vertically extend our relationships with our clients.

We are focused on embedding innovation deeply into First Data. *Clover*, a Silicon Valley start-up that we acquired just a few months before I joined, was the first of many examples to follow of First Data’s ability to execute from concept to commercialization, at scale. We brought *Clover*’s integrated point-of-sale operating system to market in 11 months. After *Clover*, we acquired five additional innovative commerce technology start-ups, and we now have nearly 200 employees in Silicon Valley and Silicon Alley.

But buying start-ups is not the hard part. We are proud of our ability to retain the key founders and employees of each of the start-ups we have acquired, while commercializing their innovations. We know how to manage technology and technologists.

Our vision is to be the industry’s grand collaborator. Our core belief is that through collaboration, we will help our clients grow their business through greater choice. In the past two years, we have partnered on a variety of innovations and agreements with major and emerging networks, prominent global financial institutions, marquee brands, and leading technology companies large and small.

We have also invested significantly in our technology infrastructure, both in management expertise and dollars. We worked equally on our operations and our service models to deliver to our clients’ expectations. And maintaining a robust control environment is a core responsibility that we have to our clients and regulators. We view our technology infrastructure, operations, and control environment as mission-critical to our long-term success.

First Data had been both an underinvested and undermanaged business. Before I arrived, there were five people on our Management Committee. Critical functions such as operations, technology, and operating control were not even at the table. Diversity on the team was limited at best. Today, I’m honored to partner with 15 members of my Management Committee who are diverse in every aspect, and we are proud of our inclusive environment. Below the Management Committee, we have also injected new leadership talent into First Data. Over two thirds of our 150 most senior employees have been hired since I joined.

While making these investments, we’ve also taken significant steps to strengthen our balance sheet. In the summer of 2014, we raised \$3.5 billion of equity to pay down debt in one of the largest-ever U.S. private placements. As part of that capital raise, KKR chose to invest another \$1.2 billion in First Data, including capital from its own balance sheet, solidifying First Data as KKR’s largest investment ever and the largest on its own balance sheet. The most revealing part of that capital raise was that we attracted significant interest from *new* investors who understood our transformation.

The Journey Ahead

Almost daily, when I meet prospective and existing clients, their receptiveness to our new solutions gives me incredible confidence in our future. They love the innovations, but they are equally delighted to learn that a trusted name like First Data can be their partner for a broad array of commerce solutions. We are unlocking the power of enterprise solutions at First Data.

Our transformation is just starting. We are only now beginning to see the benefits of offering our clients enterprise solutions. Our pipeline of innovations—webstore-in-a-box solutions, virtual gift card capabilities, solutions for alternative lenders, next-generation network fraud solutions, among others—are just beginning to enter the market. And key members of our Management Committee have been here less than one year.