

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**Form 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): April 29, 2019**

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**Euronet Worldwide, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation)

**001-31648**  
(Commission File Number)

**74-2806888**  
(I.R.S. Employer Identification No.)

**3500 College Boulevard**  
**Leawood, Kansas 66211**  
(Address of principal executive office)(Zip Code)

**(913) 327-4200**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 2.02. Results of Operations and Financial Condition.**

On April 29, 2019, Euronet Worldwide, Inc. issued a press release to report its financial results for the quarter ended March 31, 2019. The press release is attached hereto as Exhibit 99.1.

The information in Item 2.02 to this Current Report, including without limitation Exhibit 99.1, is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 or incorporated by reference into any document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934 except as shall be expressly set forth by specific reference in such filing.

**ITEM 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

<u>Exhibit</u> <u>Number</u>	<u>Description</u>
99.1	<a href="#">Exhibit 99.1 - Press Release dated April 29, 2019</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Euronet Worldwide, Inc.

By: /s/ Rick L. Weller  
Rick L. Weller  
Chief Financial Officer

Date: April 29, 2019

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**Contact:**

Euronet Worldwide, Inc.

Stephanie Taylor

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## **Euronet Worldwide Reports First Quarter 2019 Financial Results**

**LEAWOOD, KANSAS, USA - April 29, 2019** - Euronet Worldwide, Inc. ("Euronet" or the "Company") (NASDAQ: EEFT), a leading electronic payments provider, reports first quarter 2019 financial results.

**Euronet reports the following consolidated results for the first quarter 2019 compared with the same period of 2018:**

- Revenues of \$577.5 million, a 5% increase from \$550.5 million (11% increase on a constant currency<sup>(1)</sup> basis).
- Operating income of \$56.1 million, a 23% increase from \$45.5 million (31% increase on a constant currency basis).
- Adjusted EBITDA<sup>(2)</sup> of \$87.2 million, a 15% increase from \$75.5 million (23% increase on a constant currency basis).
- Net income attributable to Euronet of \$34.5 million or \$0.62 diluted earnings per share, compared with net income of \$26.4 million or \$0.49 diluted earnings per share.
- Adjusted earnings per share<sup>(3)</sup> of \$0.85, a 16% increase from \$0.73.
- Transactions of 1.06 billion, a 17% increase from 904 million.

"I am pleased we were able to deliver Adjusted Earnings per Share of \$0.85, a 16% year-over-year increase," stated Michael J. Brown, Euronet's Chairman and Chief Executive Officer. "This strong growth includes double-digit constant currency earnings contributions from all three segments, while continuing to invest in network expansion across all three segments. EFT growth was the result of continued ATM and product deployments. Money Transfer delivered a strong quarter with continued success in both physical and digital channels. And, epay continued to benefit from digital media growth, formerly referred to as non-mobile content."

See the reconciliation of non-GAAP items in the attached financial schedules.

### **Segment and Other Results**

**The EFT Processing Segment** reports the following results for the first quarter 2019 compared with the same period or date in 2018:

- Revenues of \$145.7 million, a 7% increase from \$135.7 million (16% increase on a constant currency basis).
- Operating income of \$16.8 million, a 46% increase from \$11.5 million (54% increase on a constant currency basis).
- Adjusted EBITDA of \$33.4 million, a 21% increase from \$27.7 million (29% increase on a constant currency basis).
- Transactions of 692 million, an 11% increase from 622 million.
- Operated 42,034 ATMs as of March 31, 2019, a 10% increase from 38,358.

Double-digit constant currency revenue, operating income and adjusted EBITDA growth was largely the result of a 10% year-over-year increase in active ATMs and an 11% increase in transactions. The increase in transactions was

primarily from growth in Europe and India - including an increase in traditional cash withdrawals as well as the number of value-added transactions, such as dynamic currency conversion, domestic and international surcharge, and foreign currency dispensing transactions - on both ATMs and point-of-sale terminals.

**The epay Segment** reports the following results for the first quarter 2019 compared with the same period or date in 2018:

- Revenues of \$176.1 million, essentially no change from \$176.8 million (6% increase on a constant currency basis).
- Operating income of \$18.0 million, a 7% increase from \$16.9 million (15% increase on a constant currency basis).
- Adjusted EBITDA of \$19.8 million, a 5% increase from \$18.8 million (13% increase on a constant currency basis).
- Transactions of 338 million, a 31% increase from 258 million.
- Point-of-sale ("POS") terminals of approximately 707,000 as of March 31, 2019, a 4% increase from approximately 680,000.
- Retailer locations of approximately 332,000 as of March 31, 2019, a 4% increase from approximately 318,000.

In the first quarter 2019, the epay Segment adopted the term digital media to refer to the breadth of content outside of mobile. This new term more appropriately reflects epay's success over the last few years to reinvent the business as it relates to the product mix shift towards digital content.

epay constant currency revenue, operating income and adjusted EBITDA growth was primarily from continued digital media growth.

Transaction growth was the result of increases across Europe and strong contributions from India, which included a large volume of low-margin mobile transactions.

epay terminal and location counts have been restated in both the current and prior periods to eliminate intra-segment counts.

**The Money Transfer Segment** reports the following results for the first quarter 2019 compared with the same period or date in 2018:

- Revenues of \$256.6 million, a 7% increase from \$238.9 million (11% increase on a constant currency basis).
- Operating income of \$30.7 million, a 16% increase from \$26.5 million (22% increase on a constant currency basis).
- Adjusted EBITDA of \$38.8 million, a 13% increase from \$34.4 million (18% increase on a constant currency basis).
- Total transactions of 26.6 million, a 10% increase from 24.3 million.
- Network locations of approximately 377,000 as of March 31, 2019, an 8% increase from approximately 350,000.

Double-digit constant currency revenue, operating income and adjusted EBITDA growth was driven by strong growth across most sectors of the money transfer business, including both physical and digital transfers.

Money transfers grew 10% and non-transfer transactions, such as currency exchange and check cashing, grew 5%, resulting in total transaction growth of 10%.

**Corporate and Other** reports \$9.4 million of expense for both the first quarter 2019 and the first quarter 2018.

## **Balance Sheet and Financial Position**

Unrestricted cash on hand was \$1.22 billion as of March 31, 2019, compared to \$1.05 billion as of December 31, 2018. The increase to cash resulted from cash generated from operations and the issuance of \$525 million of 0.75% convertible notes, partially offset by the repurchase for \$94.2 million of \$49.0 million par value of the Company's existing 1.50% convertible notes, and repayment of the revolving credit facility.

Total indebtedness was \$786.9 million as of March 31, 2019, compared to \$641.5 million as of December 31, 2018. The increase to debt was the result of the issuance of the new 0.75% convertible notes, offset by the partial repurchase of the existing 1.50% convertible notes and repayment of the revolving credit facility.

As disclosed in the Company's press release of March 18, 2019, the Company issued its notice of the redemption of the remaining \$352.5 million in par value of its 1.5% convertible bonds. The redemption is planned to be completed on May 28, 2019. The redemption will be completed by the payment of cash for \$352.5 million par value, together with the issuance of shares for the value which represents the market price of the convertible shares in excess of the conversion price. The dilutive effect of the shares to be issued has largely been included in the diluted share count at March 31, 2019.

Effective January 1, 2019, the Company adopted Accounting Standards Codification No. 842 ("ASC 842") to record operating leases on its consolidated balance sheet. As a result of the adoption of ASC 842, the Company reported \$351.2 million in net Right of Use Lease Assets with a similar amount recorded in Operating Lease Liabilities, both current and long-term. There was no impact on the consolidated statement of operations as a result of adopting ASC 842.

## **Guidance**

The Company currently expects adjusted earnings per share for the second quarter 2019, assuming foreign currency exchange rates remain stable through the end of the quarter, to be approximately \$1.69.

## **Non-GAAP Measures**

In addition to the results presented in accordance with U.S. GAAP, the Company presents non-GAAP financial measures, such as constant currency financial measures, adjusted EBITDA and adjusted earnings per share. These measures should be used in addition to, and not a substitute for, revenues, net income, operating income and earnings per share computed in accordance with U.S. GAAP. We believe that these non-GAAP measures provide useful information to investors regarding the Company's performance and overall results of operations. These non-GAAP measures are also an integral part of the Company's internal reporting and performance assessment for executives and senior management. The non-GAAP measures used by the Company may not be comparable to similarly titled non-GAAP measures used by other companies. The attached schedules provide a full reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measure.

The Company does not provide a reconciliation of its forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for GAAP and the related GAAP to non-GAAP reconciliation, including adjustments that would be necessary for currency exchange rate fluctuations and other charges reflected in the Company's reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

<sup>(1)</sup> Constant currency financial measures are computed as if foreign currency exchange rates did not change from the prior period. This information is provided to illustrate the impact of changes in foreign currency exchange rates on the Company's results when compared to the prior period.

<sup>(2)</sup> Adjusted EBITDA is defined as net income excluding interest, income tax expense, depreciation, amortization, share-based compensation and other non-operating or non-recurring items that are considered expenses or income under U.S. GAAP. Adjusted EBITDA represents a performance measure and is not intended to represent a liquidity measure.

<sup>(3)</sup> Adjusted earnings per share is defined as diluted U.S. GAAP earnings per share excluding, to the extent incurred in the period, the tax-effected impacts of: a) foreign currency exchange gains or losses, b) goodwill and intangible asset impairment charges, c) gains or losses from the early retirement of debt, d) share-based compensation, e) acquired intangible asset amortization, f) non-cash interest expense, g) non-cash income tax expense, and h) other non-operating or non-recurring items. Adjusted earnings per share represents a performance measure and is not intended to represent a liquidity measure.

### **Conference Call and Slide Presentation**

Euronet Worldwide will host an analyst conference call on April 30, 2019, at 9:00 a.m. Eastern Time to discuss these results. The call may also include discussion of Company developments, forward-looking information and other material information about business and financial matters. To listen to the call via telephone, dial 877-303-6313 (USA) or +1-631-813-4734 (outside the USA). The conference call will also be available via webcast at <http://ir.euronetworldwide.com>. Participants should go to the website at least five minutes prior to the scheduled start time of the event to register. A slideshow will be included in the webcast.

A webcast replay will be available beginning approximately one hour after the event at <http://ir.euronetworldwide.com> and will remain available for one year.

### **About Euronet Worldwide, Inc.**

Euronet Worldwide is an industry leader in processing secure electronic financial transactions. The Company offers payment and transaction processing solutions to financial institutions, retailers, service providers and individual consumers. These services include comprehensive ATM, POS and card outsourcing services, card issuing and merchant acquiring services, software solutions, cash-based and online-initiated consumer-to-consumer and business-to-business money transfer services, and electronic distribution of digital media and prepaid mobile phone time.

Euronet's global payment network is extensive - including 42,034 ATMs, approximately 298,000 EFT POS terminals and a growing portfolio of outsourced debit and credit card services which are under management in 54 countries; card software solutions; a prepaid processing network of approximately 707,000 POS terminals at approximately 332,000 retailer locations in 47 countries; and a global money transfer network of approximately 377,000 locations serving 155 countries. With corporate headquarters in Leawood, Kansas, USA, and 65 worldwide offices, Euronet serves clients in approximately 165 countries. For more information, please visit the Company's website at [www.euronetworldwide.com](http://www.euronetworldwide.com).

*Statements contained in this news release that concern Euronet's or its management's intentions, expectations, or predictions of future performance, are forward-looking statements. Euronet's actual results may vary materially from those anticipated in such forward-looking statements as a result of a number of factors, including: conditions in world financial markets and general economic conditions, including the effects in Europe of the U.K.'s departure from the E.U. and economic conditions in specific countries and regions; the effects of demonetization in India; technological developments affecting the market for our products and services; our ability to successfully introduce new products and services; foreign currency exchange rate fluctuations; the effects of any breach of our computer systems or those of our customers or vendors, including our financial processing networks or those of other third parties; interruptions in any of our systems or those of our vendors or other third parties; our ability to renew existing contracts at profitable rates; changes in fees payable for transactions performed for cards bearing international logos or over switching networks such as card transactions on ATMs; Visa's rule change to allow our ATMs to provide DCC beginning mid-April 2019; our ability to comply with increasingly stringent regulatory requirements, including anti-money laundering, anti-terrorism, anti-bribery, consumer and data protection and the European Union's General Data Privacy Regulation and Revised Payment Service Directive requirements; changes in laws and regulations affecting our business, including tax and immigration laws and any laws regulating payments, including DCC transactions; changes in our relationships with, or in fees charged by, our business partners; competition; the outcome of claims and other loss contingencies affecting Euronet; the cost of borrowing, availability of credit and terms of and compliance with debt covenants; and renewal of sources of funding as they expire and the availability of replacement funding. These risks and other risks are described in the Company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of these filings may be*

*obtained via the SEC's Edgar website or by contacting the Company or the SEC. Any forward-looking statements made in this release speak only as of the date of this release. Except as may be required by law, Euronet does not intend to update these forward-looking statements and undertakes no duty to any person to provide any such update under any circumstances. The Company regularly posts important information to the investor relations section of its website.*

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**EURONET WORLDWIDE, INC.**  
**Condensed Consolidated Balance Sheets**  
(in millions)

	<b>As of March 31, 2019 (unaudited)</b>	<b>As of December 31, 2018</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,216.3	\$ 1,054.4
Restricted cash	74.9	76.6
Trade accounts receivable, net	715.6	693.6
Prepaid expenses and other current assets	228.7	263.0
Total current assets	2,235.5	2,087.6
Property and equipment, net	303.8	291.9
Right of use lease asset, net	351.2	—
Goodwill and acquired intangible assets, net	814.2	818.7
Other assets, net	109.4	123.0
Total assets	<u>\$ 3,814.1</u>	<u>\$ 3,321.2</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 1,263.8	\$ 1,334.9
Current portion of operating lease liabilities	114.7	—
Short-term debt obligations	365.9	43.5
Total current liabilities	1,744.4	1,378.4
Debt obligations, net of current portion	412.9	589.8
Operating lease liabilities, net of current portion	225.1	—
Capital lease obligations, net of current portion	8.1	8.2
Deferred income taxes	82.1	57.1
Other long-term liabilities	53.6	54.8
Total liabilities	2,526.2	2,088.3
Equity	1,287.9	1,232.9
Total liabilities and equity	<u>\$ 3,814.1</u>	<u>\$ 3,321.2</u>

**EURONET WORLDWIDE, INC.**  
**Consolidated Statements of Operations**  
(unaudited - in millions, except share and per share data)

	<b>Three Months Ended March 31,</b>	
	2019	2018
Revenues	\$ 577.5	\$ 550.5
Operating expenses:		
Direct operating costs	353.8	343.3
Salaries and benefits	92.8	85.7

Selling, general and administrative	48.2	50.0
Depreciation and amortization	26.6	26.0
Total operating expenses	<u>521.4</u>	<u>505.0</u>
Operating income	<u>56.1</u>	<u>45.5</u>
Other income (expense):		
Interest income	0.3	0.3
Interest expense	(8.2)	(7.6)
Loss from unconsolidated affiliates	—	(0.1)
Loss on early retirement of debt	(0.9)	—
Foreign currency exchange gain	3.2	1.9
Total other expense, net	<u>(5.6)</u>	<u>(5.5)</u>
Income before income taxes	50.5	40.0
Income tax expense	<u>(16.0)</u>	<u>(13.7)</u>
Net income	34.5	26.3
Net loss attributable to noncontrolling interests	—	0.1
Net income attributable to Euronet Worldwide, Inc.	<u>\$ 34.5</u>	<u>\$ 26.4</u>
Earnings per share attributable to Euronet Worldwide, Inc. stockholders - diluted	<u>\$ 0.62</u>	<u>\$ 0.49</u>
Diluted weighted average shares outstanding	<u>55,576,867</u>	<u>53,953,246</u>

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Net Income to Operating Income (Expense), and Adjusted EBITDA**  
(unaudited - in millions)

**Three months ended March 31, 2019**

	<b>EFT Processing</b>	<b>epay</b>	<b>Money Transfer</b>	<b>Corporate Services</b>	<b>Consolidated</b>
Net income					\$ 34.5
Add: Income tax expense					16.0
Add: Total other expense, net					5.6
Operating income (expense)	\$ 16.8	\$ 18.0	\$ 30.7	\$ (9.4)	\$ 56.1
Add: Depreciation and amortization	16.6	1.8	8.1	0.1	26.6
Add: Share-based compensation	—	—	—	4.5	4.5
Earnings (expense) before interest, taxes, depreciation, amortization, and share-based compensation (Adjusted EBITDA) (1)	\$ 33.4	\$ 19.8	\$ 38.8	\$ (4.8)	\$ 87.2

**Three months ended March 31, 2018**

	<b>EFT Processing</b>	<b>epay</b>	<b>Money Transfer</b>	<b>Corporate Services</b>	<b>Consolidated</b>
Net income					\$ 26.3
Add: Income tax expense					13.7
Add: Total other expense, net					5.5
Operating income (expense)	\$ 11.5	\$ 16.9	\$ 26.5	\$ (9.4)	\$ 45.5
Add: Depreciation and amortization	16.2	1.9	7.9	—	26.0
Add: Share-based compensation	—	—	—	4.0	4.0
Earnings (expense) before interest, taxes, depreciation, amortization, and share-based compensation (Adjusted EBITDA) (1)	\$ 27.7	\$ 18.8	\$ 34.4	\$ (5.4)	\$ 75.5

(1) Adjusted EBITDA is a non-GAAP measure that should be considered in addition to, and not a substitute for, net income computed in accordance with U.S. GAAP.

**EURONET WORLDWIDE, INC.**  
**Reconciliation of Adjusted Earnings per Share**  
(unaudited - in millions, except share and per share data)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net income attributable to Euronet Worldwide, Inc.	\$ 34.5	\$ 26.4
Foreign currency exchange gain	(3.2)	(1.9)
Intangible asset amortization <sup>(1)</sup>	5.2	5.9
Share-based compensation <sup>(2)</sup>	4.5	4.0
Non-cash interest accretion <sup>(3)</sup>	3.4	2.8
Income tax effect of above adjustments <sup>(4)</sup>	(0.2)	(0.1)
Loss on early retirement of debt	0.9	—
Non-cash GAAP tax expense <sup>(5)</sup>	2.3	2.5
Adjusted earnings <sup>(6)</sup>	\$ 47.4	\$ 39.6
Adjusted earnings per share - diluted <sup>(6)</sup>	\$ 0.85	\$ 0.73
Diluted weighted average shares outstanding (GAAP)	55,576,867	53,953,246
Effect of unrecognized share-based compensation on diluted shares outstanding	261,765	280,727
Adjusted diluted weighted average shares outstanding	55,838,632	54,233,973

(1) Intangible asset amortization of \$5.2 million and \$5.9 million are included in depreciation and amortization expense of \$26.6 million and \$26.0 million for the three months ended March 31, 2019 and March 31, 2018, respectively, in the consolidated statements of income.

(2) Share-based compensation of \$4.5 million and \$4.0 million are included in salaries and benefits expense of \$92.8 million and \$85.7 million for the three months ended March 31, 2019 and March 31, 2018, respectively, in the consolidated statements of income.

(3) Non-cash interest accretion of \$3.4 million and \$2.8 million are included in interest expense of \$8.2 million and \$7.6 million for the three months ended March 31, 2019 and March 31, 2018, respectively, in the consolidated statements of income.

(4) Adjustment is the aggregate U.S. GAAP income tax effect on the preceding adjustments determined by applying the applicable statutory U.S. federal, state and/or foreign income tax rates.

(5) Adjustment is the cash tax impact recognized on certain items such as the utilization of certain material net deferred tax assets and amortization of indefinite-lived intangible assets.

(6) Adjusted earnings and adjusted earnings per share are non-GAAP measures that should be considered in addition to, and not as a substitute for, net income and earnings per share computed in accordance with U.S. GAAP.