

ACI WORLDWIDE

SEPTEMBER 30, 2017
QUARTERLY RESULTS

November 2, 2017



Private Securities Litigation Reform Act of 1995 Safe Harbor For Forward-Looking Statements

- This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. A discussion of these forward-looking statements and risk factors that may affect them is set forth at the end of this presentation. The Company assumes no obligation to update any forward-looking statement in this presentation, except as required by law.

Quarter in Review

Phil Heasley
Chief Executive Officer

Q3 2017 in Review

- Revenue up 3%
- Adjusted EBITDA up 34%
- Pipeline is strong and growing across all solutions
- RPS program success exceeding expectations
- Three major solution releases in 2017

Financial Review

Scott Behrens
Chief Financial Officer

Key Takeaways from the Quarter

- Bookings
 - New bookings were \$143 million and total bookings were \$213 million
 - We continue to expect full year new bookings growth to be upper single digits
- Backlog*
 - 12-month backlog of \$833 million, down \$10 million from Q2 2017
 - 60-month backlog of \$4.1 billion, down \$13 million from Q2 2017
- Revenue and EBITDA
 - Revenue grew 3%*
 - Adjusted EBITDA up 34%
 - EBITDA margin 25%, up from 19% in Q3 2016
- Debt and Liquidity
 - Adjusted operating free cash flow YTD was \$82 million, up 94% over YTD 2016
 - Ended the quarter with \$68 million in cash and \$703 million in debt
 - \$78 million remaining on share repurchase authorization

*Numbers adjusted for FX

Updating 2017 guidance, raising lower end of revenue range

	Old 2017 Non-GAAP Guidance		New 2017 Non-GAAP Guidance	
	Low	High	Low	High
Revenue	1,000	1,025	1,010	1,025
Adjusted EBITDA	250	255	250	255

\$'s in millions

- **Guidance**

- New bookings growth expected to be in the upper single digits
- Revenue and Adjusted EBITDA phasing by quarter consistent with seasonal history
- Guidance excludes approximately \$14 million in one-time integration related expenses for PAY.ON, the CFS divestiture and data center and facilities consolidation, as well as the litigation judgment

Appendix



Monthly Recurring Revenue

Recurring Revenue (millions)	Quarter Ended	
	September 30,	
	2017	2016
Monthly SaaS and Platform fees	\$ 98.2	\$ 96.2
Maintenance fees	55.6	57.7
Monthly license fees	18.2	18.2
Recurring Revenue	\$ 172.0	\$ 172.1

Adjusted EBITDA

Adjusted EBITDA (millions)	Quarter Ended September 30,	
	2017	2016
Net income (loss)	\$3.4	(\$9.8)
Plus:		
Income tax benefit	(2.2)	(6.4)
Net interest expense	9.2	9.7
Net other expense (income)	1.1	(2.8)
Depreciation expense	6.1	5.5
Amortization expense	19.5	19.4
Non-cash compensation expense	8.1	10.8
Adjusted EBITDA before significant transaction related expenses	\$45.2	\$26.4
Employee related actions	0.1	1.6
Facility closures	0.2	2.9
Adjustment to gain on sale of CFS assets	-	0.5
Significant transaction related expenses	1.4	1.9
Adjusted EBITDA	\$ 46.9	\$ 33.3

Adjusted EBITDA excluding CFS impact (millions)	Quarter Ended September 30,	
	2017	2016
Total Adjusted EBITDA	\$46.9	\$33.3
Retained indirect costs during TSA period	-	1.8
Total Adjusted EBITDA excluding CFS impact	\$ 46.9	\$ 35.1

Adjusted Operating Free Cash Flow

Reconciliation of Adjusted Operating Free Cash Flow (millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net cash provided by operating activities	(\$14.0)	\$7.3	\$85.1	\$64.9
Net after-tax payments associated with employee-related actions	0.2	0.8	\$3.9	\$4.7
Net after-tax payments associated with facility closures	0.3	0.2	\$0.7	\$0.2
Net after-tax payments associated with significant transaction related expenses	1.0	2.6	\$2.1	\$6.7
Net after-tax payments associated with litigation judgment	30.4	-	\$30.4	\$0.0
Less capital expenditures	(13.7)	(20.5)	(\$39.9)	(\$53.6)
Plus capital expenditures for European datacenter and cyber security	-	8.5	\$0.0	\$19.5
Adjusted Operating Free Cash Flow	\$4.2	(\$1.1)	\$82.3	\$42.4

60-Month Backlog

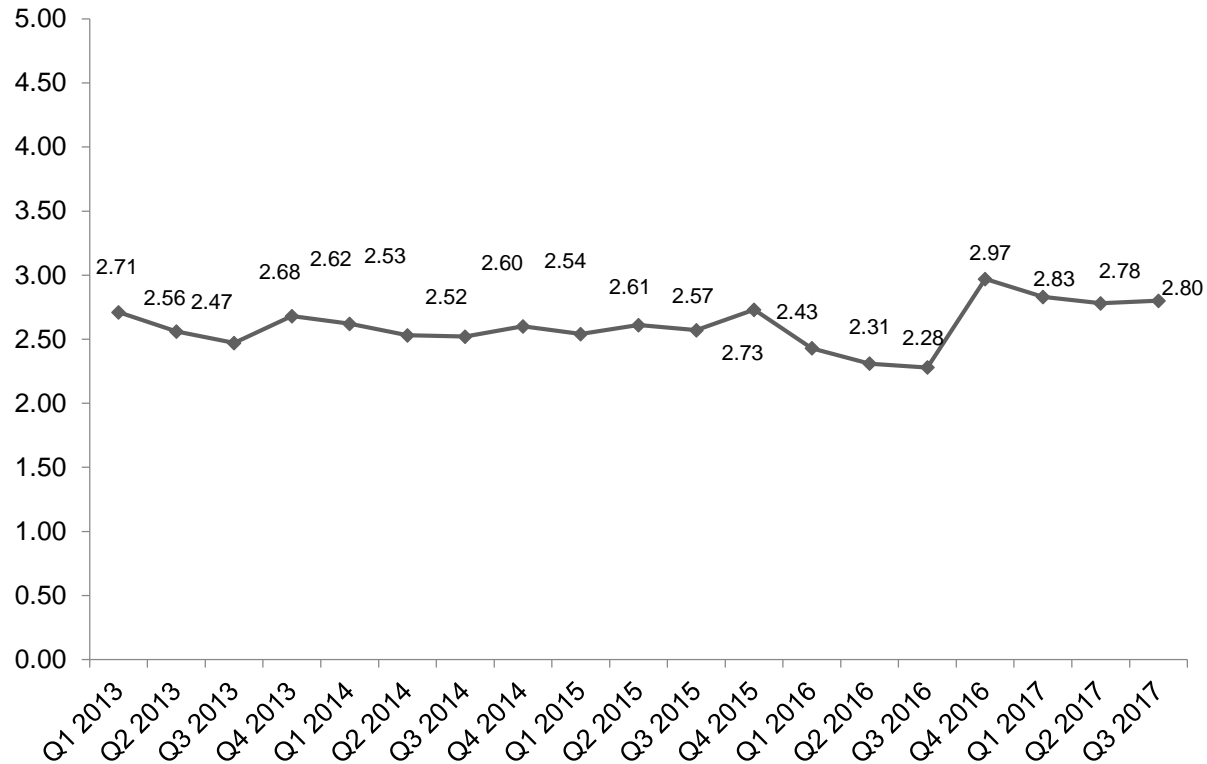
Backlog 60-Month (millions)	Quarter Ended	
	September 30, 2017	June 30, 2017
ACI On Premise	\$1,707	\$1,722
ACI On Demand	2,368	2,345
Backlog 60-Month	\$4,075	\$4,067
Deferred Revenue	\$157	\$158
Other	3,918	3,909
Backlog 60-Month	\$4,075	\$4,067

EPS Impact of Non-Cash and Significant Transaction Related Items

EPS impact of non-cash and significant transaction related items (millions)	Quarter Ended			
	2017		2016	
	September 30,	September 30,	September 30,	September 30,
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income (loss)	\$ 0.03	\$ 3.4	\$ (0.08)	\$ (9.8)
Plus:				
Gain on sale of CFS assets	-	-	-	0.3
Significant transaction related expenses	0.01	1.2	0.03	4.0
Amortization of acquisition-related intangibles	0.03	3.2	0.03	3.4
Amortization of acquisition-related software	0.04	4.8	0.04	4.5
Non-cash equity-based compensation	0.04	5.1	0.06	6.7
Total	\$ 0.12	\$ 14.3	\$ 0.16	\$ 18.9
Diluted EPS adjusted for non-cash and significant transaction related items	\$ 0.15	\$ 17.7	\$ 0.08	\$ 9.1

* Tax Effected

Contract Duration Metric



- Represents dollar average remaining contract life (in years) for term license software contracts
- Excludes perpetual contracts (primarily heritage S1 licensed software contracts)
- Excludes all hosted contracts as both cash and revenue are ratable over the contract term

Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables, which exclude significant transaction related expenses, as well as other significant non-cash expenses such as depreciation, amortization, and non-cash compensation, that we believe are helpful in understanding our past financial performance and our future results. The presentation of these non-GAAP financial measures should be considered in addition to our GAAP results and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way to view aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. Certain non-GAAP measures include:

- Adjusted EBITDA: net income (loss) plus income tax expense (benefit), net interest income (expense), net other income (expense), depreciation, amortization, and non-cash compensation, as well as significant transaction related expenses and legal judgment. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income (loss).

Non-GAAP Financial Measures

ACI is also presenting adjusted operating free cash flow, which is defined as net cash provided by operating activities, plus net after-tax payments associated with employee-related actions and facility closures, plus net after-tax payments associated with significant transaction-related expenses, and less capital expenditures plus European data center and cybersecurity capital expenditures. Adjusted operating free cash flow is considered a non-GAAP financial measure as defined by SEC Regulation G. We utilize this non-GAAP financial measure, and believe it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as capital investments and acquisitions. We utilize adjusted operating free cash flow as a further indicator of operating performance and for planning investing activities. Adjusted operating free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities. A limitation of adjusted operating free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. This measure also does not exclude mandatory debt service obligations and, therefore, does not represent the residual cash flow available for discretionary expenditures. We believe that adjusted operating free cash flow is useful to investors to provide disclosures of our operating results on the same basis as that used by our management.

ACI also includes backlog estimates, which include all license, maintenance, and services (including SaaS and Platform) specified in executed contracts, as well as revenues from assumed contract renewals to the extent that we believe recognition of the related revenue will occur within the corresponding backlog period. We have historically included assumed renewals in backlog estimates based upon automatic renewal provisions in the executed contract and our historic experience with customer renewal rates.

Non-GAAP Financial Measures

Backlog is considered a non-GAAP financial measure as defined by SEC Regulation G. Our 60-month backlog estimate represents expected revenues from existing customers using the following key assumptions:

- Maintenance fees are assumed to exist for the duration of the license term for those contracts in which the committed maintenance term is less than the committed license term.
- License, facilities management, and SaaS and platform arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.
- Non-recurring license arrangements are assumed to renew as recurring revenue streams.
- Foreign currency exchange rates are assumed to remain constant over the 60-month backlog period for those contracts stated in currencies other than the U.S. dollar.
- Our pricing policies and practices are assumed to remain constant over the 60-month backlog period.

Estimates of future financial results are inherently unreliable. Our backlog estimates require substantial judgment and are based on a number of assumptions as described above. These assumptions may turn out to be inaccurate or wrong, including, but not limited to, reasons outside of management's control. For example, our customers may attempt to renegotiate or terminate their contracts for a number of reasons, including mergers, changes in their financial condition, or general changes in economic conditions in the customer's industry or geographic location, or we may experience delays in the development or delivery of products or services specified in customer contracts which may cause the actual renewal rates and amounts to differ from historical experiences. Changes in foreign currency exchange rates may also impact the amount of revenue actually recognized in future periods. Accordingly, there can be no assurance that contracts included in backlog estimates will actually generate the specified revenues or that the actual revenues will be generated within the corresponding 60-month period.

Backlog should be considered in addition to, rather than as a substitute for, reported revenue and deferred revenue.

Forward-Looking Statements

This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as “believes,” “will,” “expects,” “anticipates,” “intends,” and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements in this presentation include, but are not limited to, statements regarding:

- Pipeline strong and growing across all solutions, and
- Expectations regarding 2017 financial guidance related to revenue, adjusted EBITDA and full year new bookings growth.

Forward-Looking Statements

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, the success of our Universal Payments strategy, demand for our products, restrictions and other financial covenants in our credit facility, consolidations and failures in the financial services industry, customer reluctance to switch to a new vendor, the accuracy of management's backlog estimates, the maturity of certain products, our strategy to migrate customers to our next generation products, ratable or deferred recognition of certain revenue associated with customer migrations and the maturity of certain of our products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, volatility and disruption of the capital and credit markets and adverse changes in the global economy, our existing levels of debt, impairment of our goodwill or intangible assets, litigation, future acquisitions, strategic partnerships and investments, the complexity of our products and services and the risk that they may contain hidden defects or be subjected to security breaches or viruses, compliance of our products with applicable legislation, governmental regulations and industry standards, our ability to protect customer information from security breaches or attacks, our compliance with privacy regulations, the protection of our intellectual property in intellectual property litigation, exposure to credit or operating risks arising from certain payment funding methods, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, business interruptions or failure of our information technology and communication systems, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, exposure to unknown tax liabilities, volatility in our stock price, and potential claims associated with our sale and transition of our CFS assets and liabilities. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.