ACI Worldwide (ACIW)

May/June 2015

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.

About ACI Worldwide

Founded in 1975, ACI is a leading provider of electronic payments and transaction banking software solutions for financial institutions, retailers, processors and billers worldwide

- High quality products and services drive strong renewal rates on a large installed user base of over 5,600 customers
- Long-term, blue-chip, geographically diverse customer base with low customer concentration
- Subscription-based model drives recurring revenue and provides stability and predictability to our operations
- Large contractual backlog provides earnings visibility and allows our management to optimally manage the size and infrastructure of the business
- Leading payments transformation with Universal Payments (UP)
- Management team has an established track record of operational excellence and significant industry experience

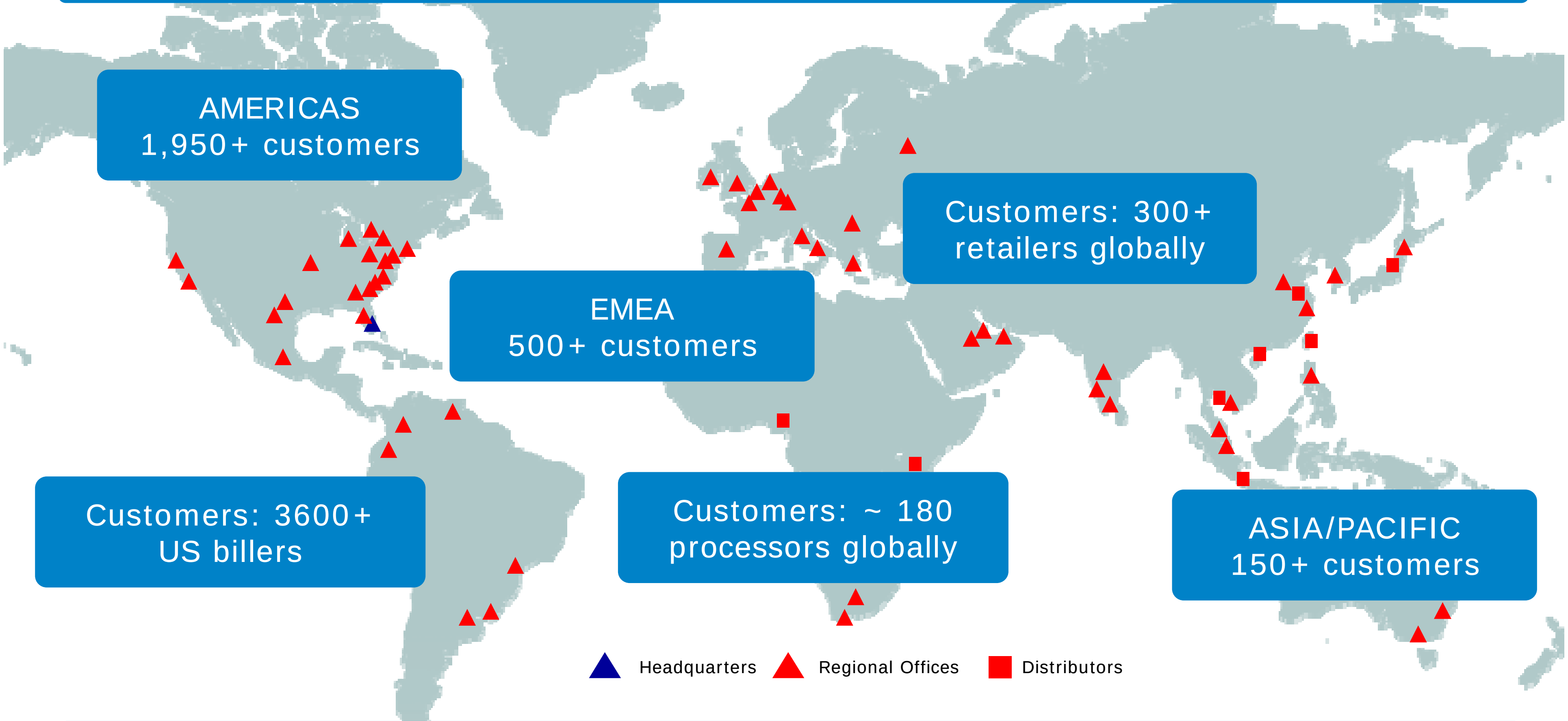
2014 Pro Forma Revenue $1046 Million	2014 Pro Forma Adjusted EBITDA $267 Million	3/31/2015 60-Month Backlog $4.1 Billion

Note: Pro Forma Revenue is presented on a Non-GAAP basis that adds back the Deferred Revenue Fair Value Adjustment. Pro Forma Adjusted EBITDA excludes transaction and litigation expenses. Both metrics are presented on a pro forma basis for the ReD acquisition.

Global Distribution and Customer Base:
The Leader in the Mega and Large FIs Market

5,600+ customers in over 80 countries rely on ACI solutions

18 of the top 20 and 67 of the top 100 global banks are customers



AMERICAS
1,950+ customers

Customers: 300+
retailers globally

EMEA
500+ customers

Customers: 3600+
US billers

Customers: ~ 180
processors globally

ASIA/PACIFIC
150+ customers

~ 4,500 employees in 36 countries

ACI is a Leading Provider of Electronic Payments and Transaction Banking Solutions

Retail Payments

- Software sold directly to banks and payment processors
- Solutions help authenticate, authorize, acquire, clear and settle electronic consumer payments
- Payments acquiring and authorization solution for retailers

Online Banking

- Consumer and Business Internet Banking, Mobile, Trade Finance and Branch Automation sold to large banks globally as license or hosted subscription services
- Consumer and small biz Internet and mobile banking sold to US community FIs and credit unions as hosted, subscription

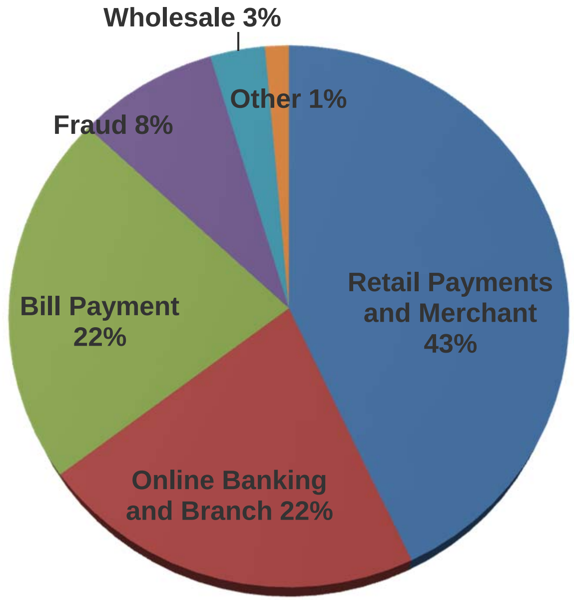
Bill Pay / Collections

- Internet-based electronic bill payment and presentment (EBPP)
- Transaction-based, hosted services for banks and billers
- Automated collection application

Wholesale Payments

- Software sold to global banks that enables the providing of treasury services to large corporates
- High value wire transfers, Low Value Bulk Payments and SWIFT messaging

ACI Product Family Revenue %



Fraud

- Tools to prevent payment transaction fraud and enterprise financial crimes
- Case management

[1] Ovum, 2014 market study

Note: Revenue figures represent FY 2014 GAAP Revenue on a pro forma basis for the ReD acquisition.

Highlights

In a fragmented $20+ billion market, we control ~5% of the market spend[1]

Software facilitates over 120 billion consumer transactions per year; scales to thousands per second

~1/3 of all domestic SWIFT transactions

Enables over $13 trillion in payments each day

Software designed for "Five nines availability"

2/3 of all Fed wires

Diverse Customer Base of Top Global Banks, Processors, Billers and Retailers Provide Significant Cross Sell Opportunities

WELLS FARGO

usbank

Bank of America Merrill Lynch

Santander

PNC

FIFTH THIRD BANK

REGIONS

HSBC

TD Bank

FY 2014 Revenue by Customer

Customer # 1	2.3%
Customer # 2	2.3%
Customer # 4	1.6%
Customer # 5	0.8%
Customer # 6	0.8%
Customer # 7	0.8%
Customer # 8	0.8%
Customer # 9	0.8%
Customer # 10	0.7%
Customer # 11	0.7%
Customer # 12	0.7%
Customer # 13	0.7%
Top 10 customers	12.8%

No single customer represents more than 3% of consolidated revenue

On average, customers use 3 ACI products or less representing a large cross sell opportunity

Delivering an Omni-channel Customer Experience

for one of the world's
largest banks

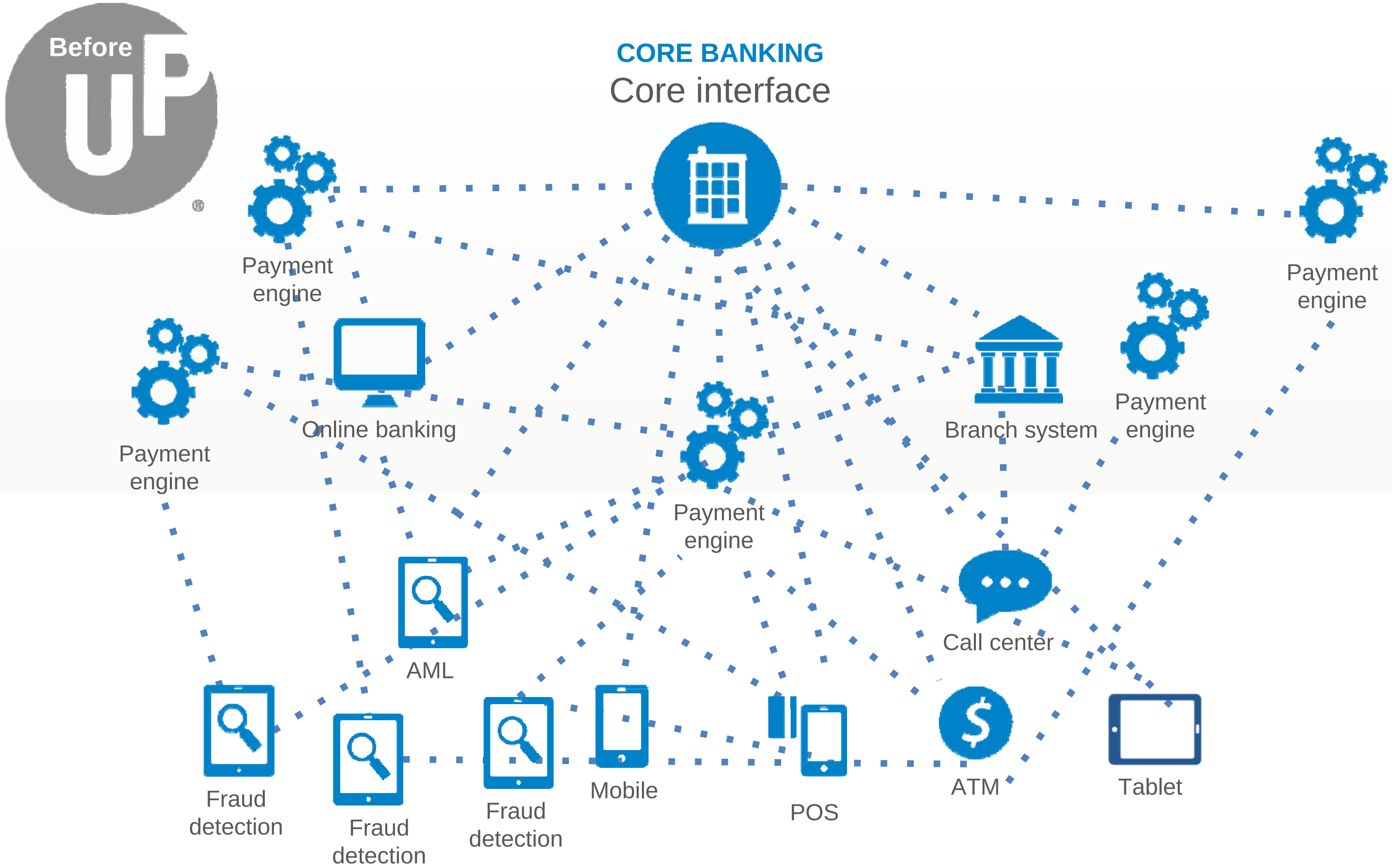
CHALLENGE

- Aspirations to be the primary bank of its customers held back by inconsistent experience caused by legacy technology
- Improve cross sell and retention rates

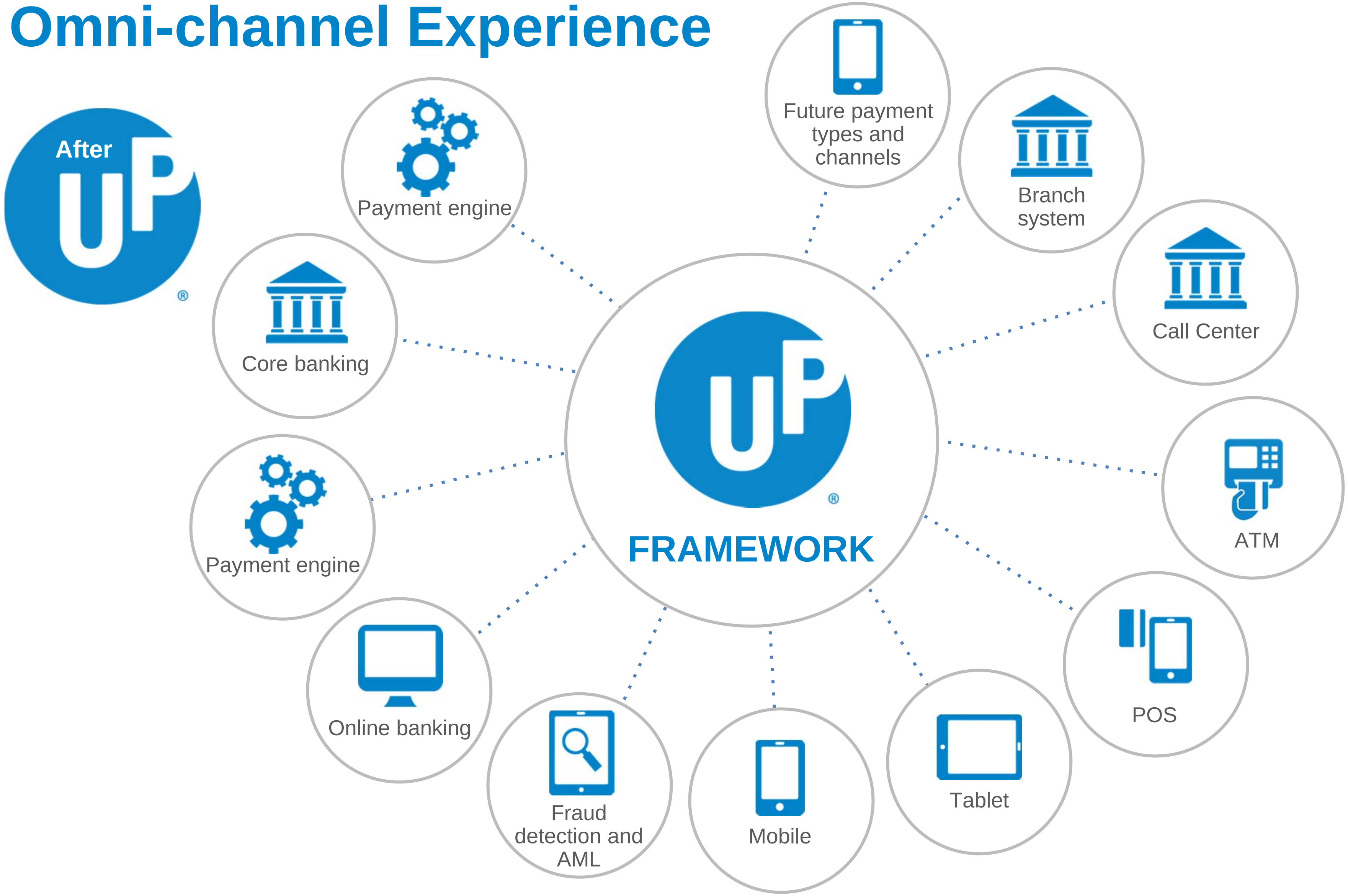
BENEFITS

- Significant operating **cost improvements**
- **New channels** deployed in 4 months instead of 18, reducing deployment costs by 80%
- Payment analytics improves **cross sell and retention**
- **Consistent** payment experience

Complex Payments Environment Leads to Inconsistent Customer Experience



Streamlined, Consistent Omni-channel Experience



Favorable Industry and Customer Trends

Market Sizing[1]

- Total addressable market is ~$20bn in 2014 and growing mid to upper single digits
- ~50% of addressable market is in-sourced (homegrown) applications
- eCommerce transaction growth expected to be 6x in-store transaction growth

Industry Dynamics

- Shift from paper to electronic
- Compounding regulatory requirements
- Revenue and profitability pressures
- Complexity from globalization
- Increasing fraud costs
- Convergence of payments; real-time
- Legacy systems increasingly difficult to update

Customer Trends

FIs looking to transform their businesses by:

- Driving down unit costs
- Launching new products quicker
- Reducing risks
- Improving customer satisfaction and loyalty
- Vendor Consolidation

[1] Source: Ovum, 2014 market study and McKinsey Global Payments 2014 report

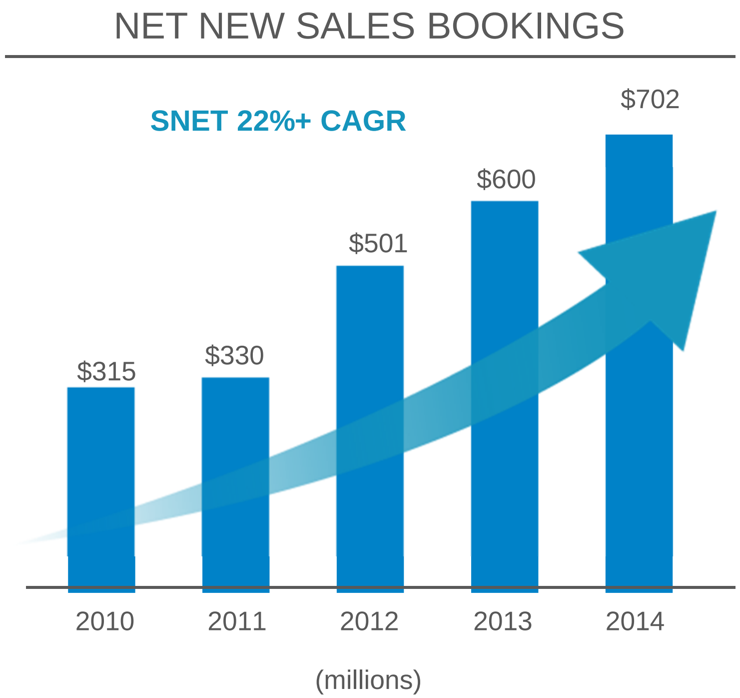
Attractive trends will drive growth opportunities for ACI

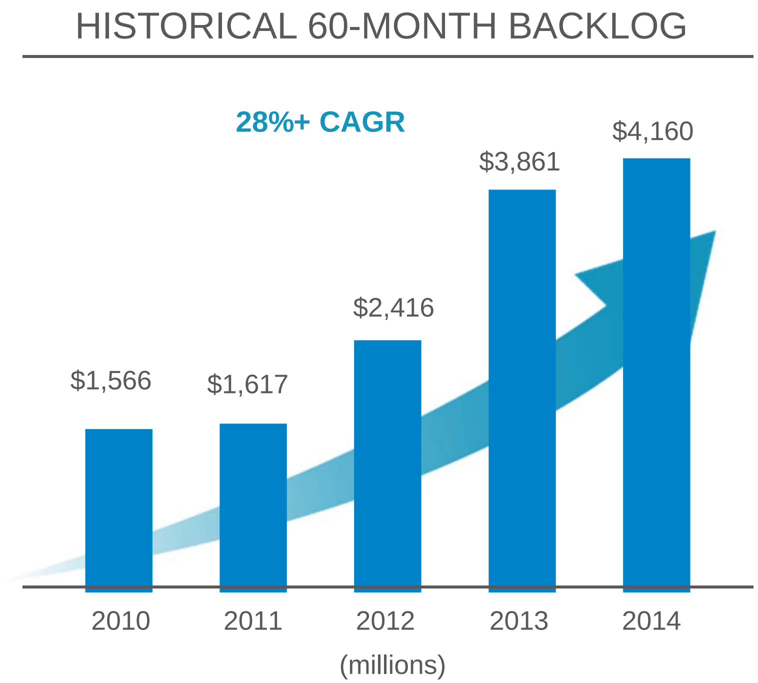
FINANCIAL OVERVIEW

Bookings Growth Leads to Large Backlog Provides Revenue and Earnings Visibility

Renewal rates across ACI products in the mid-high 90%s

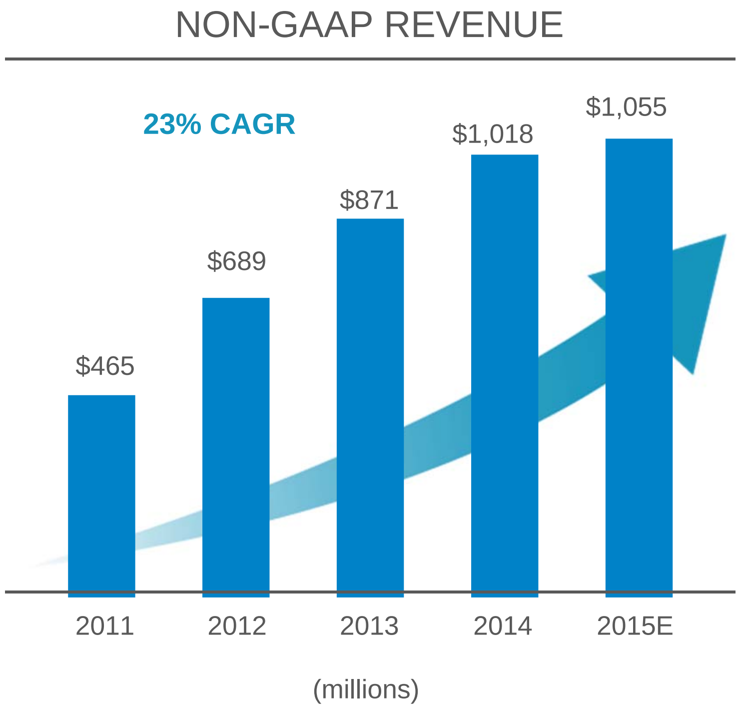
>95% of our contracts are transaction-based

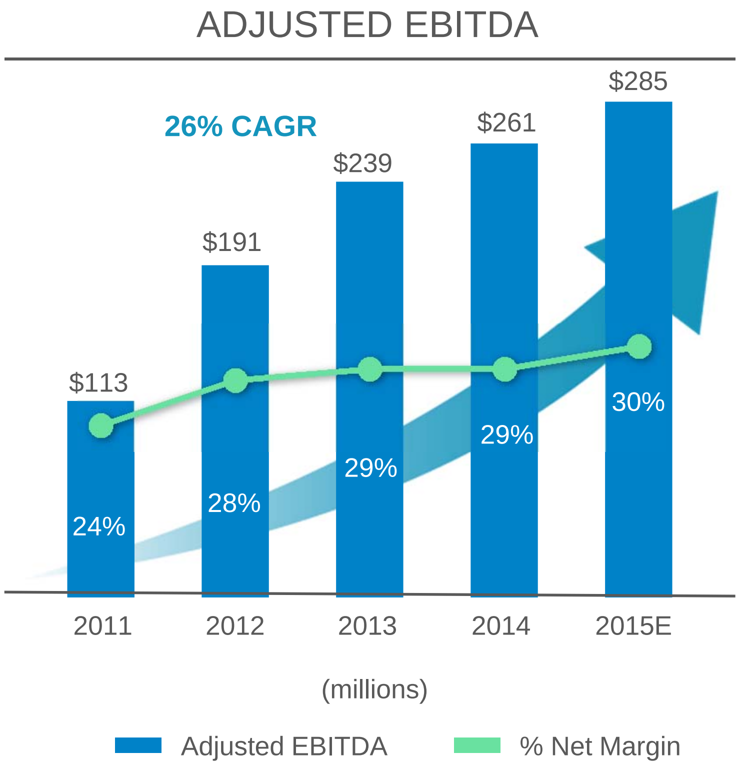




ACI's Financial Summary, 2011 – 2015

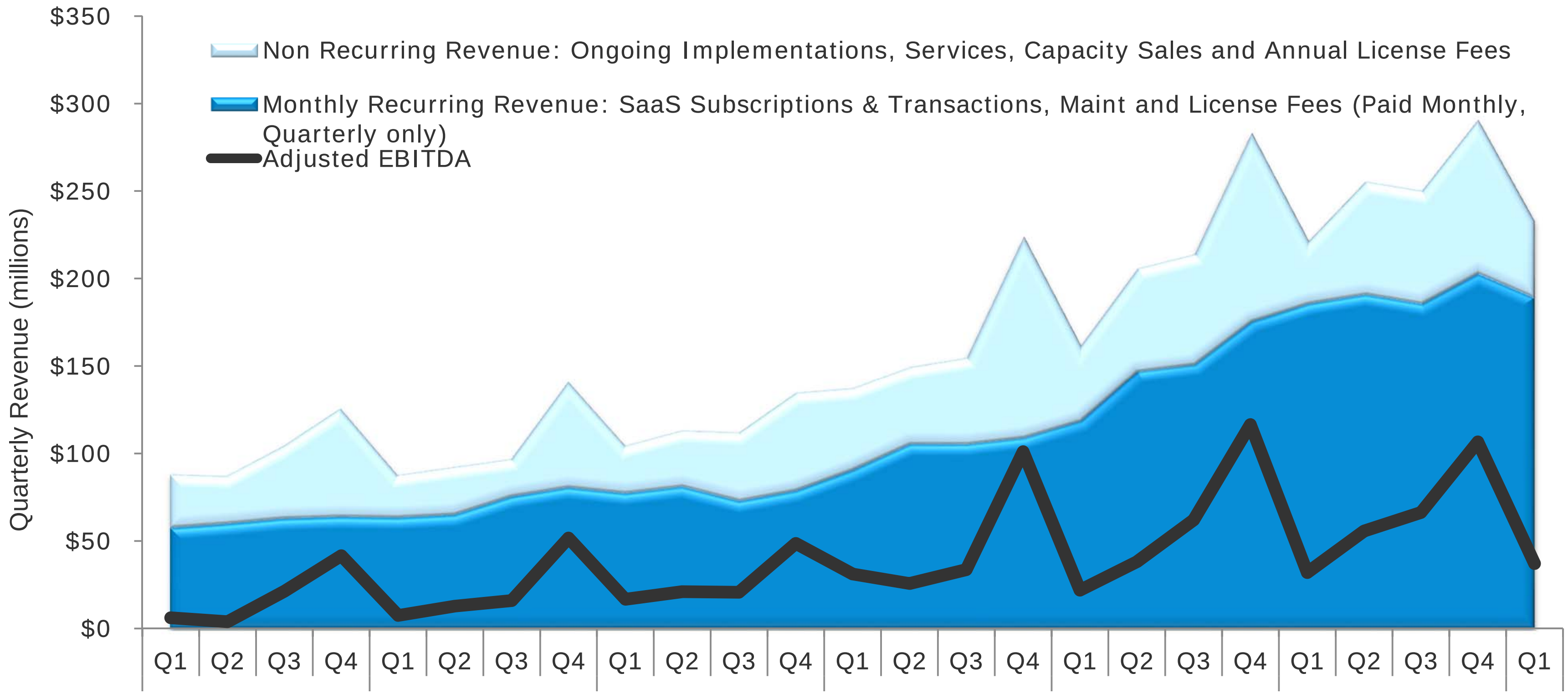
2014 revenue geographic mix: 69% Americas, 23% EMEA and 8% Asia/Pacific





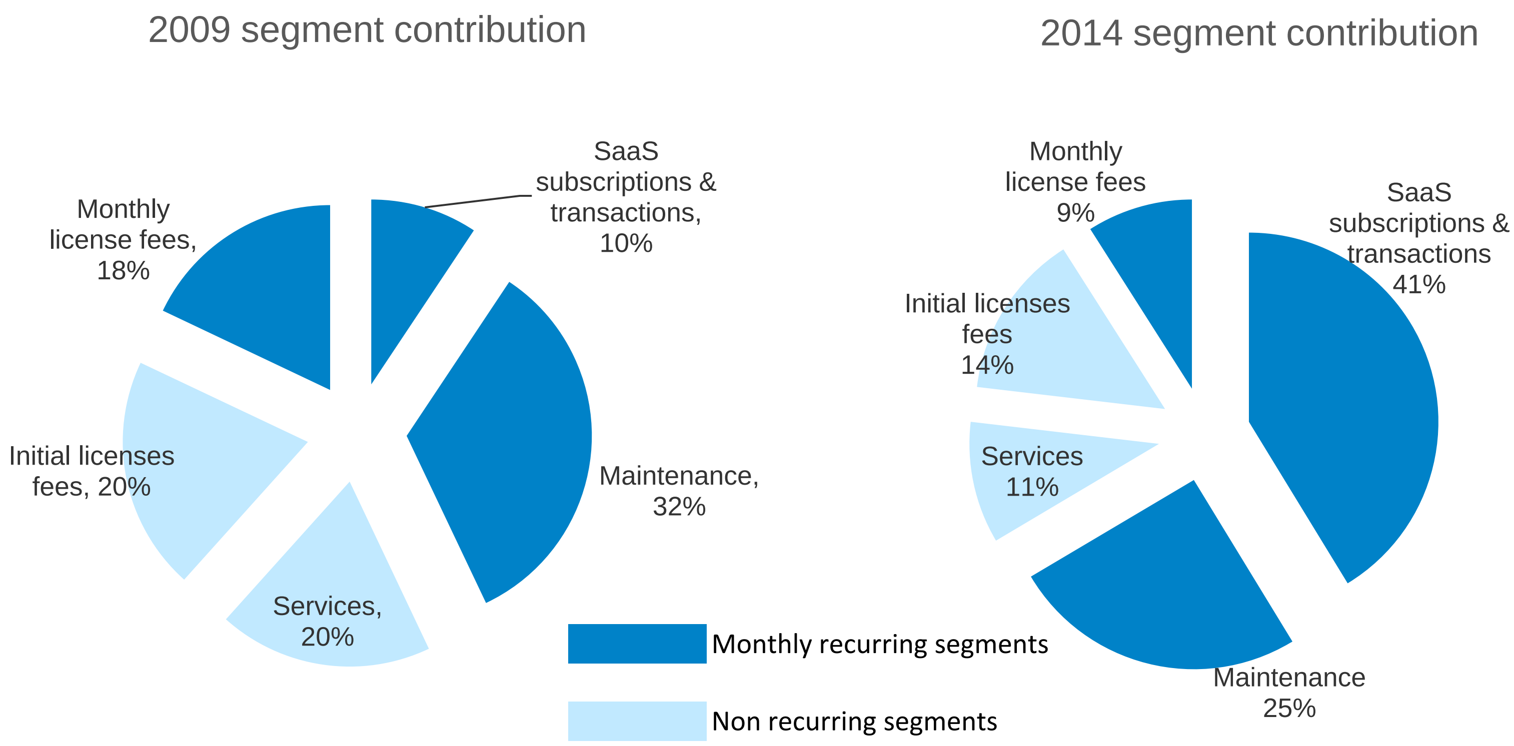
Notes:
1-Net Margin based on net revenues, or gross revenues adjusted for pass through interchange fees of $38, $116 and $115 million in 2013, 2014 and 2015
2-2015 numbers based on the midpoint of company guidance

Fixed Costs Provide Leverage in Model



- Monthly Recurring Revenue predictable & growing, now >70% of total revenue
- Non-recurring revenue is strongest in Q4
- EBITDA margin spikes follow revenue

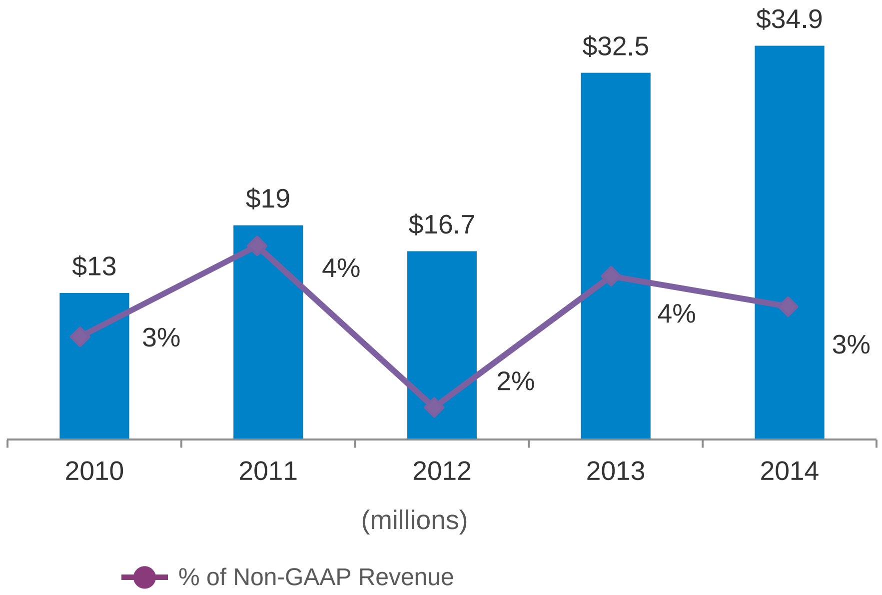
SaaS Subscriptions and Transactions Contribution Growth



- SaaS Subscriptions & Transactions have grown from ~10% to over 40%
- Overall monthly recurring revenues have grown from ~60% to over 70%

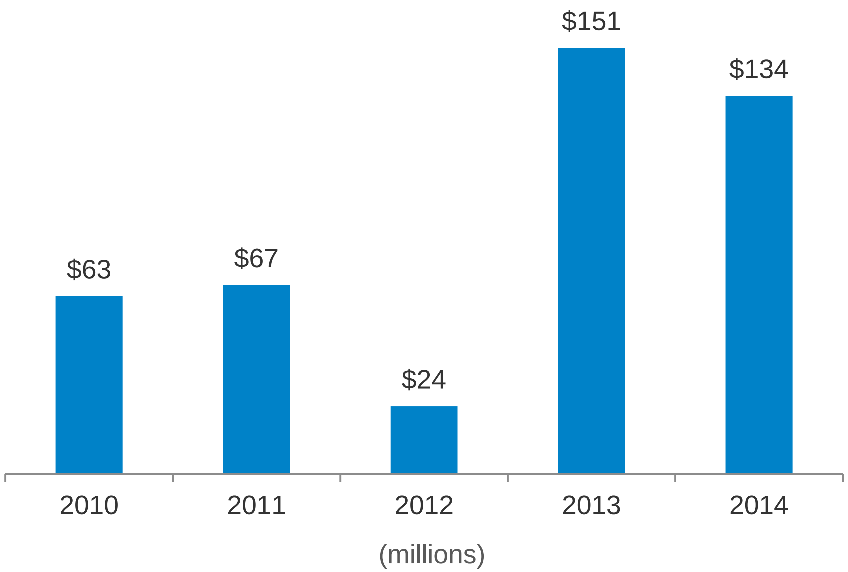
Low Cap Ex and Strong Cash Flow

CAPITAL EXPENDITURES



Low capital expenditures needed to maintain existing client base

OPERATING FREE CASH FLOW

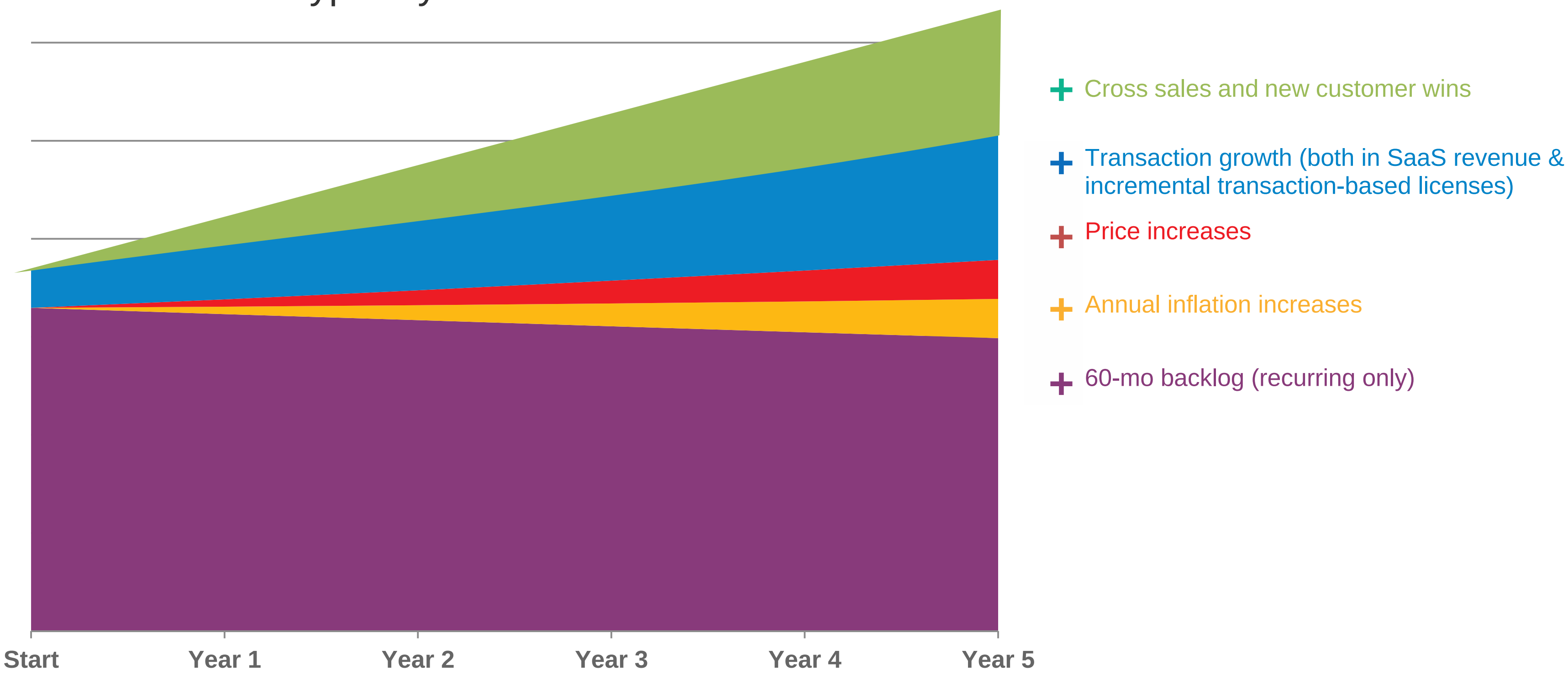


ACI generates strong free cash flow

- NOLs starting to contribute and cash taxes much lower than GAAP

Backlog is Foundation, Cross Sales Add Growth

- Existing customer base and low customer attrition provide baseline for future revenue
- Competitive positioning and high R&D spending provides pricing power
- Electronic payment growth of mid-high single digits
- Cross sales typically account for 2/3 of net new business



2015 Guidance

Key Metrics	2015 Non-GAAP Guidance 12/31/14 fx rates	Incremental FX Impact	2015 Non-GAAP Guidance 3/31/15 fx rates
Non-GAAP Revenue	1,050 - 1,080	(10)	1,040 - 1,070
Adjusted EBITDA	280 - 290	-	280 - 290

$s in millions

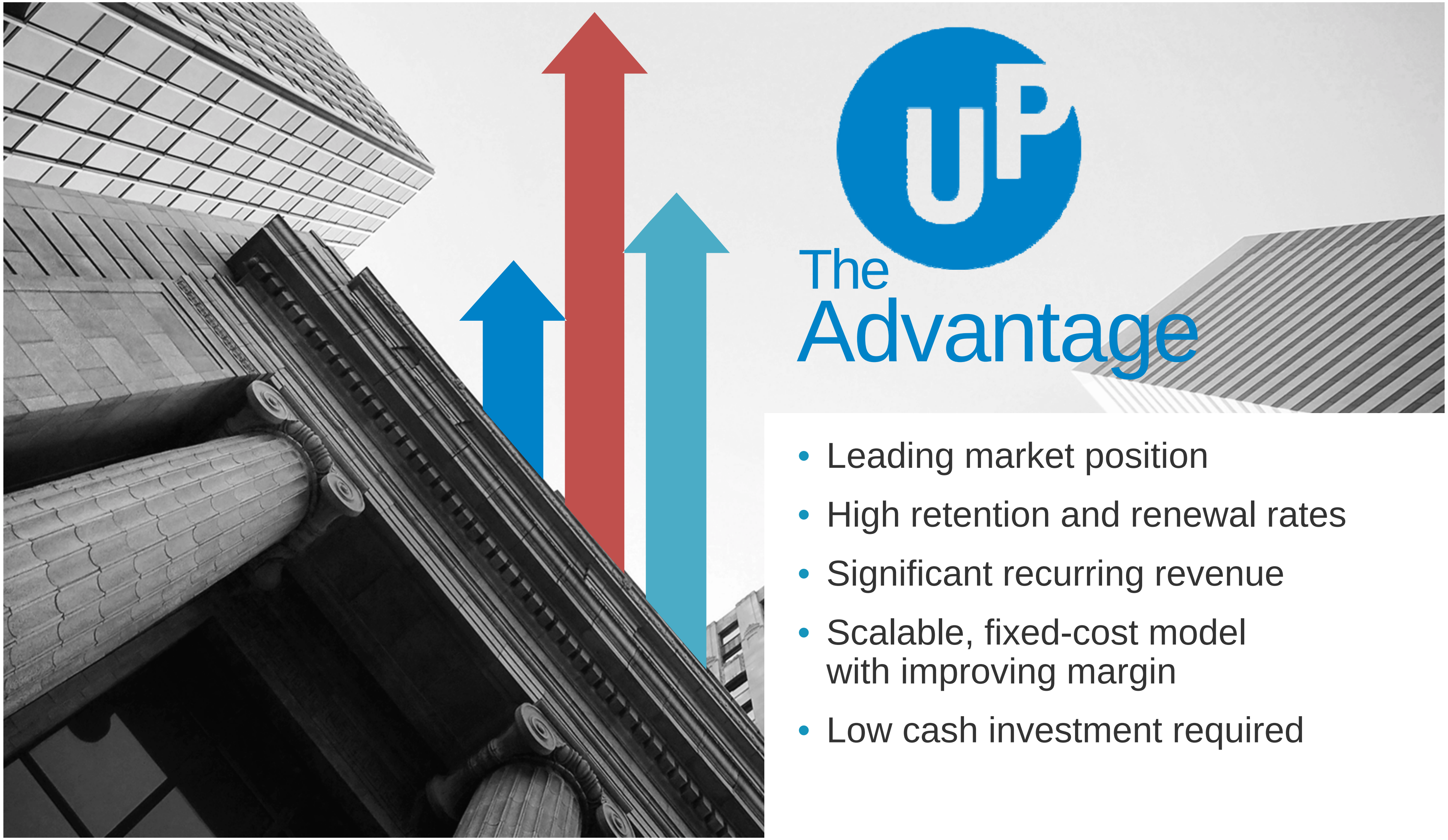
Guidance

- Reaffirming full year guidance adjusted for FX. Represents 3%-6% organic growth over pro forma 2014
- Sales, net of term extensions, growth in the high single digits
- Q2 non-GAAP revenue expected to be in the range of $240 to $250 million
- Q2 2014 revenue was $240 million on a constant currency basis
- Adjusted EBITDA excludes approximately $10 million in significant transaction-related expenses for datacenter and facilities consolidation and bill payment platform rationalization

Financial Summary – Five-year Targets

- **Organic revenue growth**
  Mid-to-upper single digits
- **Adjusted EBITDA margin**
  100 bps expansion per year
- **Operating free cash flow**
  Track adjusted EBITDA growth
- **Sales net of term extension growth**
  High single digits

Questions?



- Leading market position
- High retention and renewal rates
- Significant recurring revenue
- Scalable, fixed-cost model with improving margin
- Low cash investment required

Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measure indicated in the tables, which exclude certain business combination accounting entries related to the acquisitions of Online Resources and significant transaction related expenses, as well as other significant non-cash expenses such as depreciation, amortization and share-based 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 of viewing 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:

Non-GAAP revenue: revenue plus deferred revenue that would have been recognized in the normal course of business by Online Resources if not for GAAP purchase accounting requirements. Non-GAAP revenue should be considered in addition to, rather than as a substitute for, revenue.

Non-GAAP operating income: operating income plus deferred revenue that would have been recognized in the normal course of business by Online Resources if not for GAAP purchase accounting requirements and significant transaction related expenses. Non-GAAP operating income should be considered in addition to, rather than as a substitute for, operating income.

Adjusted EBITDA: net income plus income tax expense, net interest income (expense), net other income (expense), depreciation, amortization and non-cash compensation, as well as deferred revenue that would have been recognized in the normal course of business by Online Resources if not for GAAP purchase accounting requirements and significant transaction related expenses. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, operating income.

Non-GAAP Financial Measures

Non-GAAP Revenue (millions)	2010	2011	2012	2013	2014
Revenue	$ 418	$ 465	$ 667	$ 865	$1,016
Deferred revenue fair value adjustment	-	-	22	6	2
Non-GAAP revenue	$ 418	$ 465	$ 689	$ 871	$1,018

Adjusted EBITDA (millions)	2010	2011	2012	2013	2014
Net income (loss)	$ 27	$ 46	$ 49	$ 64	$ 68
Plus:					
Income tax expense (benefit)	22	18	16	29	31
Net interest expense	1	1	10	27	39
Net other expense	4	1	-	3	-
Depreciation expense	6	8	13	19	21
Amortization expense	20	21	38	51	66
Non-cash compensation expense	8	11	15	14	11
Adjusted EBIDTA	88	106	141	207	236
Deferred revenue fair value adjustment	-	-	22	6	2
Employee related actions	-	-	11	11	10
Facility closure costs	-	-	5	2	-
IT exit costs	-	-	3	-	-
Other significant transaction related expenses	-	7	9	13	13
Adjusted EBIDTA excluding significant transaction related expenses	$ 88	$ 113	$ 191	$ 239	$ 261

Non-GAAP Financial Measures

ACI is also presenting operating free cash flow, which is defined as net cash provided by operating activities, plus payments associated with the cash settlement of acquisition related options and significant acquired opening balance sheet liabilities, plus net after-tax payments associated with employee-related actions and facility closures, net after-tax payments associated with significant transaction related expenses, net after-tax payments associated with IBM IT outsourcing transition and termination, and less capital expenditures. 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 operating free cash flow as a further indicator of operating performance and for planning investing activities. 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 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 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.

Reconciliation of Operating Free Cash Flow (millions)	**2010**	**2011**	**2012**	**2013**	**2014**
Net cash provided (used) by operating activities	$ 81	$ 83	$ (9)	$ 138	$ 149
Net after-tax payments associated with employee-related actions	-	-	6	10	6
Net after-tax payments associated with facility closures	-	-	3	1	1
Net after-tax payments associated with significant transaction related expenses	-	4	9	18	8
Net after-tax payments associated with cash settlement of acquisition related options	-	-	10	10	-
Payments associated with acquired opening balance sheet liabilties	-	-	-	5	5
Net after-tax payments associated with IBM IT Outsourcing Transition	1	1	1	2	-
Plus IBM Alliance liability repayment	-	-	21	-	-
Less capital expenditures	(13)	(19)	(17)	(33)	(35)
Less IBM Alliance technical enablement expenditures	(6)	(2)	-	-	-
Operating Free Cash Flow	$ 63	$ 67	$ 24	$ 151	$ 134

Non-GAAP Financial Measures

ACI also includes backlog estimates, which include all software license fees, maintenance fees and services 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.

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 software hosting 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 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 for 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:

(i) expectations regarding 2015 financial guidance, including non-GAAP revenue, adjusted EBITDA, and net new sales bookings;

(ii) expectations regarding Q2 2015 non-GAAP revenue; and

(iii) expectations regarding five year targets, including future increases in organic revenue, adjusted EBITDA margin, operating free cash flow, and sales net of term extension.

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 performance of our strategic product, BASE24-eps, 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, risks related to the expected benefits to be achieved in the transaction with Online Resources, OPAY and ReD, 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 compliance with privacy regulations, the protection of our intellectual property in intellectual property litigation, 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, and volatility in our stock price. 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.


ACI
UNIVERSAL
PAYMENTS