

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 4, 2022

Commission File Number 0-25346

ACI WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware **47-0772104**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
2811 Ponce de Leon
Blvd PH1 Coral Gables, Florida **33134**
(Address of Principal Executive Offices) (Zip Code)
(239) 403-4660
(Registrant's telephone number, including area code)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.005 par value	ACIW	Nasdaq Global Select Market

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 Operation and Financial Condition.

On August 4, 2022, ACI Worldwide, Inc. (“the Company”) issued a press release announcing its financial results for the three months ended June 30, 2022. A copy of this press release is attached hereto as Exhibit 99.1.

The foregoing information (including the exhibits hereto) is being furnished under “Item 2.02 – Results of Operations and Financial Condition” and “Item 7.01 – Regulation FD Disclosure.” Such information (including the exhibits hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

The filing of this report and the furnishing of this information pursuant to Items 2.02 and 7.01 do not mean that such information is material or that disclosure of such information is required.

Item 7.01. Regulation FD Disclosure.

See “Item 2.02 – Results of Operation and Financial Condition” above.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1	Press Release dated August 4, 2022
99.2	Investor presentation materials dated August 4, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 thereunto duly authorized.

ACI WORLDWIDE, INC.
(Registrant)

Date: August 4, 2022

By: _____ /s/ SCOTT W. BEHRENS
Scott W. Behrens
*Executive Vice President, Chief Financial Officer and Chief Accounting
Officer
(Principal Financial Officer)*



ACI Worldwide, Inc. Reports Financial Results for the Quarter Ended June 30, 2022

Revenue of \$340 million, up 13% versus Q2 2021

Adjusted EBITDA of \$66 million, up 10% versus Q2 2021

New ARR bookings up 3% versus Q2 2021 and up 43% year to date

Net income of \$13 million

Repurchased 1 million shares in Q2, \$154 million remaining on authorization

Divestiture of Corporate Online Banking on track to close in Q3 2022

Miami, FL — August 4, 2022 — ACI Worldwide (NASDAQ: ACIW), the global leader in mission-critical, real-time payments software, announced financial results today for the quarter ended June 30, 2022. ACI delivered a strong second quarter, with revenue growth of 13% and adjusted EBITDA growth of 10% versus Q2 2021. New ARR* bookings were up 3% versus Q2 2021 and up 43% on a year-to-date basis.

"We delivered another quarter of results in line with guidance, demonstrating the predictability, resilience and momentum of our growth. We continue the focused and disciplined execution of our three-pillar strategy – fit for growth, focused on growth and step-change value creation," said Odilon Almeida, president and CEO of ACI Worldwide.

"We expect the divestiture of our corporate online banking solutions to close in the third quarter. Our continuous, rigorous review of divestiture and acquisition opportunities to maximize shareholder value remains unchanged," Almeida concluded.

FINANCIAL SUMMARY

In Q2 2022, revenue was \$340 million, up 13%, or 14% on a constant currency basis, from Q2 2021. Adjusted EBITDA in Q2 2022 was \$66 million, up 10%, or 11% on a constant currency basis, from Q2 2021. Net adjusted EBITDA margin in Q2 2022 was 28% in the quarter, the same as in Q2 2021. Q2 new ARR bookings of \$18 million were up 3% over Q2 2021 and up 43% year to date.

- Bank segment revenue increased 24%, or 27% on a constant currency basis, as bank segment adjusted EBITDA increased 29% on a reported and constant currency basis, versus Q2 2021.
- Merchant segment revenue decreased 2%, or increased 2% on a constant currency basis, while merchant segment adjusted EBITDA was down 41%, or 32% on a constant currency basis, versus Q2 2021.
- Biller segment revenue grew 8% on a reported and constant currency basis, whereas the biller segment adjusted EBITDA was down 18%, or 19% on a constant currency basis, versus Q2 2021.

ACI ended the quarter with \$119 million in cash on hand and a debt balance of \$1.1 billion, representing a net debt leverage ratio of 2.4x. The company has repurchased 2 million shares for \$63 million year to date. As of June 30, 2022, ACI has \$154 million remaining on its share repurchase authorization.

2022 FULL-YEAR AND Q3 GUIDANCE

We reaffirm our guidance for the full year of 2022. We expect revenue growth to be in the mid-single digits on a constant currency basis, or in the range of \$1.415 billion to \$1.435 billion. We expect adjusted EBITDA to be in a range of \$400 million to \$415 million with net adjusted EBITDA margin expansion.

We expect Q3 2022 revenue to be between \$310 million and \$325 million and adjusted EBITDA to be between \$50 million and \$65 million.

We plan to update Q3 and full-year 2022 guidance following the close of our corporate online banking solutions divestiture, which we expect to occur in the third quarter.

CONFERENCE CALL TO DISCUSS FINANCIAL RESULTS

Today, management will host a conference call at 8:30 AM ET to discuss these results. Interested persons may access a real-time teleconference webcast at <http://investor.aciworldwide.com/> or use the following number for dial-in participation: toll-free (888) 645-4404. Please provide your name and the conference name of ACI Worldwide, Inc.

About ACI Worldwide

ACI Worldwide is the global leader in mission-critical, real-time payments software. Our proven, secure and scalable software solutions enable leading corporations, fintechs, financial disruptors and merchants to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with a local presence to drive the real-time digital transformation of payments and commerce.

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For more information contact:

Investors

John Kraft

SVP, Head of Strategy and Finance

john.kraft@aciworldwide.com

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 stock-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 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 stock-based compensation, as well as significant transaction-related expenses. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income (loss).
- Net Adjusted EBITDA Margin: Adjusted EBITDA divided by revenue net of pass-through interchange revenue. Net Adjusted EBITDA Margin should be considered in addition to, rather than as a substitute for, net income (loss).
- Diluted EPS adjusted for non-cash and significant transaction related items: diluted EPS plus tax effected significant transaction related items, amortization of acquired intangibles and software, and non-cash stock-based compensation. Diluted EPS adjusted for non-cash and significant transaction related items should be considered in addition to, rather than as a substitute for, diluted EPS.
- Recurring revenue: revenue from software as a service and platform as a service fees and maintenance fees. Recurring revenue should be considered in addition to, rather than as a substitute for, total revenue.
- *Annual recurring revenue "ARR" from new sales, defined as the annual recurring revenue expected to be generated from new accounts, new applications, and add-on sales bookings contracts signed in the quarter.

FORWARD-LOOKING STATEMENTS

This press release 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 press release include, but are not limited to: (i) the predictability, resilience and momentum of our growth, (ii) the focused and disciplined execution of our three-pillar strategy – fit for growth, focused on growth and step-change value creation, (iii) expectations that the divestiture of our corporate online banking solutions will close in the third quarter, (iv) expectations regarding our continuous, rigorous review of divestiture and acquisition opportunities to maximize shareholder value, (v) expectations for full year 2022 revenue, adjusted EBITDA, net adjusted EBITDA margin, and (vi) expectations for Q3 2022 revenue and adjusted EBITDA.

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, business interruptions or failure of our information technology and communication systems, security breaches or viruses, our ability to attract and retain senior management personnel and skilled technical employees, future acquisitions, strategic partnerships and investments, implementation and success of our three-pillar strategy, impact if we convert some or all on-premise licenses from fixed-term to subscription model, anti-takeover provisions, exposure to credit or operating risks arising from certain payment funding methods, customer reluctance to switch to a new vendor, our ability to adequately defend our intellectual property, litigation, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, adverse changes in the global economy, compliance of our products with applicable legislation, governmental regulations and industry standards, the complexity of our products and services and the risk that they may contain hidden defects, complex regulations applicable to our payments business, our compliance with privacy regulations, our involvement in investigations, lawsuits and other expense and time-consuming legal proceedings, exposure to unknown tax liabilities, consolidations and failures in the financial services industry, volatility in our stock price, demand for 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, impairment of our goodwill or intangible assets, the accuracy of management's backlog estimates, 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, restrictions and other financial covenants in our debt agreements, our existing levels of debt, the COVID-19 pandemic, and events outside of our control including natural disasters, wars, and outbreaks of disease. 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.

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands)

	June 30, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 118,953	\$ 122,059
Receivables, net of allowances	326,852	320,405
Settlement assets	549,019	452,396
Prepaid expenses	34,027	24,698
Other current assets	16,951	17,876
Total current assets	1,045,802	937,434
Noncurrent assets		
Accrued receivables, net	268,075	276,164
Property and equipment, net	56,233	63,050
Operating lease right-of-use assets	40,833	47,825
Software, net	147,133	157,782
Goodwill	1,280,226	1,280,226
Intangible assets, net	261,782	283,004
Deferred income taxes, net	53,885	50,778
Other noncurrent assets	64,699	62,478
TOTAL ASSETS	\$ 3,218,668	\$ 3,158,741
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 41,084	\$ 41,312
Settlement liabilities	548,524	451,575
Employee compensation	40,076	51,379
Current portion of long-term debt	55,688	45,870
Deferred revenue	81,065	84,425
Other current liabilities	78,565	79,594
Total current liabilities	845,002	754,155
Noncurrent liabilities		
Deferred revenue	31,231	25,925
Long-term debt	1,031,134	1,019,872
Deferred income taxes, net	30,982	36,122
Operating lease liabilities	35,120	43,346
Other noncurrent liabilities	36,835	34,544
Total liabilities	2,010,304	1,913,964
Commitments and contingencies		
Stockholders' equity		
Preferred stock	—	—
Common stock	702	702
Additional paid-in capital	690,574	688,313
Retained earnings	1,160,113	1,131,281
Treasury stock	(528,758)	(475,972)
Accumulated other comprehensive loss	(114,267)	(99,547)
Total stockholders' equity	1,208,364	1,244,777
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,218,668	\$ 3,158,741

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues				
Software as a service and platform as a service	\$ 206,978	\$ 196,328	\$ 401,540	\$ 392,074
License	64,314	34,727	124,599	55,929
Maintenance	50,562	53,155	101,980	105,518
Services	18,571	17,459	35,386	33,334
Total revenues	340,425	301,669	663,505	586,855
Operating expenses				
Cost of revenue (1)	179,333	158,614	345,619	318,099
Research and development	40,642	35,029	78,449	69,543
Selling and marketing	35,391	28,660	69,999	56,798
General and administrative	28,362	31,937	54,237	59,712
Depreciation and amortization	32,240	32,005	63,078	63,589
Total operating expenses	315,968	286,245	611,382	567,741
Operating income	24,457	15,424	52,123	19,114
Other income (expense)				
Interest expense	(11,784)	(11,260)	(22,678)	(22,735)
Interest income	3,051	2,865	6,210	5,719
Other, net	2,006	1,434	4,256	52
Total other income (expense)	(6,727)	(6,961)	(12,212)	(16,964)
Income before income taxes	17,730	8,463	39,911	2,150
Income tax expense (benefit)	4,388	1,962	11,079	(2,406)
Net income	\$ 13,342	\$ 6,501	\$ 28,832	\$ 4,556
Income per common share				
Basic	\$ 0.12	\$ 0.06	\$ 0.25	\$ 0.04
Diluted	\$ 0.12	\$ 0.05	\$ 0.25	\$ 0.04
Weighted average common shares outstanding				
Basic	114,669	117,718	114,976	117,605
Diluted	115,205	119,010	115,649	118,958

(1) The cost of revenue excludes charges for depreciation but includes amortization of purchased and developed software for resale.

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Cash flows from operating activities:				
Net income	\$ 13,342	\$ 6,501	\$ 28,832	\$ 4,556
Adjustments to reconcile net income to net cash flows from operating activities:				
Depreciation	6,027	5,292	11,008	10,708
Amortization	26,213	28,111	52,721	56,278
Amortization of operating lease right-of-use assets	2,773	2,655	5,489	5,000
Amortization of deferred debt issuance costs	1,146	1,175	2,299	2,357
Deferred income taxes	(3,018)	(3,480)	(6,385)	(9,558)
Stock-based compensation expense	6,800	7,720	14,758	14,423
Other	523	542	1,124	436
Changes in operating assets and liabilities:				
Receivables	(23,700)	619	(14,040)	76,754
Accounts payable	1,429	268	(1,319)	(2,540)
Accrued employee compensation	8,937	4,324	(10,201)	(8,401)
Deferred revenue	(4,417)	(7,855)	5,532	297
Other current and noncurrent assets and liabilities	2,834	(10,644)	(22,055)	(45,325)
Net cash flows from operating activities	<u>38,889</u>	<u>35,228</u>	<u>67,763</u>	<u>104,985</u>
Cash flows from investing activities:				
Purchases of property and equipment	(1,377)	(3,729)	(3,657)	(8,075)
Purchases of software and distribution rights	(4,531)	(7,599)	(10,738)	(15,652)
Net cash flows from investing activities	<u>(5,908)</u>	<u>(11,328)</u>	<u>(14,395)</u>	<u>(23,727)</u>
Cash flows from financing activities:				
Proceeds from issuance of common stock	1,056	596	1,962	1,648
Proceeds from exercises of stock options	375	4,245	1,397	7,044
Repurchase of stock-based compensation awards for tax withholdings	(265)	(590)	(5,802)	(14,796)
Repurchases of common stock	(24,847)	(39,411)	(62,707)	(39,411)
Proceeds from revolving credit facility	20,000	—	60,000	—
Repayment of revolving credit facility	(10,000)	(15,000)	(20,000)	(30,000)
Repayment of term portion of credit agreement	(11,481)	(9,737)	(21,219)	(19,475)
Payments on or proceeds from other debt, net	(5,183)	(4,672)	(9,369)	(8,272)
Net decrease in settlement assets and liabilities	(3,970)	(6,817)	(3,970)	(6,817)
Net cash flows from financing activities	<u>(34,315)</u>	<u>(71,386)</u>	<u>(60,313)</u>	<u>(181,343)</u>
Effect of exchange rate fluctuations on cash	1,402	(347)	(1,062)	(388)
Net increase (decrease) in cash and cash equivalents	68	(47,833)	(8,007)	(100,473)
Cash and cash equivalents, including settlement deposits, beginning of period	176,067	212,742	184,142	265,382
Cash and cash equivalents, including settlement deposits, end of period	<u>\$ 176,135</u>	<u>\$ 164,909</u>	<u>\$ 176,135</u>	<u>\$ 164,909</u>
Reconciliation of cash and cash equivalents to the Consolidated Balance Sheets				
Cash and cash equivalents	\$ 118,953	\$ 146,213	\$ 118,953	\$ 146,213
Settlement deposits	57,182	18,696	57,182	18,696
Total cash and cash equivalents	<u>\$ 176,135</u>	<u>\$ 164,909</u>	<u>\$ 176,135</u>	<u>\$ 164,909</u>

Adjusted EBITDA (millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 13.3	\$ 6.5	\$ 28.8	\$ 4.6
Plus:				
Income tax expense (benefit)	4.4	2.0	11.1	(2.4)
Net interest expense	8.8	8.4	16.5	17.0
Net other income (expense)	(2.0)	(1.4)	(4.3)	(0.1)
Depreciation expense	6.0	5.3	11.0	10.7
Amortization expense	26.2	28.1	52.7	56.3
Non-cash stock-based compensation expense	6.8	7.7	14.8	14.4
Adjusted EBITDA before significant transaction-related expenses	\$ 63.5	\$ 56.6	\$ 130.6	\$ 100.5
Significant transaction-related expenses:				
Employee related actions	—	2.9	—	3.7
European datacenter migration	1.3	—	1.8	—
Divestiture transaction related	1.4	—	1.4	—
Other	—	0.5	—	0.9
Adjusted EBITDA	\$ 66.2	\$ 60.0	\$ 133.8	\$ 105.1
Revenue, net of interchange:				
Revenue	\$ 340.4	\$ 301.7	\$ 663.5	\$ 586.9
Interchange	103.8	87.5	197.0	174.8
Revenue, net of interchange	\$ 236.6	\$ 214.2	\$ 466.5	\$ 412.1
Net Adjusted EBITDA Margin	28 %	28 %	29 %	26 %

Segment Information (millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue				
Banks	\$ 141.9	\$ 114.1	\$ 274.1	\$ 210.0
Merchants	36.5	37.4	77.5	76.1
Billers	162.0	150.2	311.8	300.8
Total	\$ 340.4	\$ 301.7	\$ 663.4	\$ 586.9
Recurring Revenue				
Banks	\$ 60.7	\$ 63.6	\$ 122.0	\$ 126.0
Merchants	34.9	35.7	69.7	70.9
Billers	161.9	150.2	311.8	300.7
Total	\$ 257.5	\$ 249.5	\$ 503.5	\$ 497.6
Segment Adjusted EBITDA				
Banks	\$ 70.2	\$ 54.5	\$ 134.9	\$ 91.7
Merchants	7.8	13.0	22.5	27.8
Billers	28.3	34.6	54.7	68.6

EPS Impact of Non-cash and Significant Transaction-related Items (millions)	Three Months Ended June 30,			
	2022		2021	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 0.12	\$ 13.3	\$ 0.05	\$ 6.5
Adjusted for:				
Significant transaction-related expenses	0.02	2.1	0.02	2.6
Amortization of acquisition-related intangibles	0.06	6.9	0.06	7.1
Amortization of acquisition-related software	0.04	4.5	0.05	6.3
Non-cash stock-based compensation	0.05	5.2	0.05	5.9
Total adjustments	\$ 0.17	\$ 18.7	\$ 0.18	\$ 21.9
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 0.29	\$ 32.0	\$ 0.23	\$ 28.4

EPS Impact of Non-cash and Significant Transaction-related Items (millions)	Six Months Ended June 30,			
	2022		2021	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 0.25	\$ 28.8	\$ 0.04	\$ 4.6
Adjusted for:				
Significant transaction-related expenses	0.02	2.4	0.03	3.5
Amortization of acquisition-related intangibles	0.12	13.9	0.12	14.1
Amortization of acquisition-related software	0.08	9.6	0.11	13.0
Non-cash stock-based compensation	0.10	11.2	0.09	11.0
Total adjustments	\$ 0.32	\$ 37.1	\$ 0.35	\$ 41.6
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 0.57	\$ 65.9	\$ 0.39	\$ 46.2

Recurring Revenue (millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	SaaS and PaaS fees	\$ 206.9	\$ 196.3	\$ 401.5
Maintenance fees	50.6	53.2	102.0	105.5
Recurring Revenue	\$ 257.5	\$ 249.5	\$ 503.5	\$ 497.6

Annual Recurring Revenue* (ARR) Bookings (millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	ARR bookings	\$ 18.1	\$ 17.6	\$ 39.2

Earnings Presentation

Q2 2022

August 4, 2022

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 statements in this presentation, except as required by law.



ACI Delivers Mission-Critical Payment Solutions

ACI Worldwide
is the global leader
in mission-critical,
real-time payments
software.

Our proven, secure and scalable software solutions enable leading corporations, fintechs, financial disruptors and merchants to:

Process and manage **digital payments**

Enable **omni-commerce payments**

Present and process **bill payments**

Manage **fraud and risk**

We combine our global footprint with a local presence to drive the **real-time digital transformation** of payments and commerce.

Three-Pillar Strategy

Fit for Growth

We are organized and operating with a strong focus on growth by:

- Adopting a simpler, flatter and more agile organizational structure
- Building a powerful, best-in-class sales engine
- Maintaining fewer layers between business leaders and customers

Focused on Growth

We are focusing investments on the biggest growth opportunities and continuing to accelerate the digital transformation of payments by:

- Increasing investment in real-time payments, global sophisticated merchants, international markets and the next-generation, real-time payments platform

Step-Change Value Creation

We continue to build on our successful history of mergers and acquisitions by:

- Driving inorganic value creation through acquisitions and divestitures aligned with our areas of focus and overall strategy

Q2 2022 Highlights

Business more predictable and growth momentum clear

Consolidated Results

- Total revenue of \$340M, up 13%, or 14% on a constant currency basis, from Q2 2021
- Adjusted EBITDA of \$66M, up 10%, or 11% on a constant currency basis, from Q2 2021
- Net adjusted EBITDA margin of 28%, in line with Q2 2021

Segment Results

- Banking revenue up 24%, or 27% on a constant currency basis
- Merchant revenue down 2%, or up 2% on a constant currency basis
- Biller revenue up 8% on a reported and constant currency basis

Balance Sheet

- \$119M cash balance*
- \$1.1B debt
Net debt ratio of 2.4*
- Repurchased 2 million shares in 2022 YTD
 - \$154M remaining on authorization

* Statistics as of 6/30/2022

ACI Worldwide

5

Reiterating 2022 Guidance

Revenue growth expected to be in the mid-single digits

2022 Revenue Guidance

- Revenue growth expected to be in the mid-single digits on a constant currency basis, or in the range of **\$1.415B - \$1.435B**
- Expect quarterly phasing less second half weighted

2022 Adjusted EBITDA Guidance

- Adjusted EBITDA expected to be **\$400M - \$415M**
- Expect net adjusted EBITDA margin slightly higher than 2021

Q3 Guidance

- Revenue expected to be **\$310M – 325M**
- Adjusted EBITDA expected to be **\$50M – 65M**

Note: We plan to update guidance following the expected closure in Q3, 2022, of our corporate online banking solutions divestiture.

Q2 2022: Recognitions

Leading industry research firms and awards recognize ACI's solutions leadership



[Banking Tech Awards USA](#)

**Best Payments
Solution Provider –
Highly Commended**
*ACI[®] Enterprise Payments
Platform™ with Sherpa
Technologies*



[Analytics Institute Ireland:
Analytics & AI Awards](#)

**Emerging
Technology Award**
ACI Data Science Team
**Analytics Practitioner
of the Year**
Anju Joseph



[Retail Systems Awards](#)

**Omni-Channel
Solution of the Year**
ACI Omni-Commerce™
**Alternative
Payments Solution**
ACI PayAfter™



[Microsoft Partner of the
Year Awards](#)

**Financial Services
Partner of the Year –
Finalist**

Supplemental Financial Data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Recurring Revenue (millions)				
SaaS and PaaS fees	\$ 206.9	\$ 196.3	\$ 401.5	\$ 392.1
Maintenance fees	50.6	53.2	102.0	105.5
Recurring Revenue	\$ 257.5	\$ 249.5	\$ 503.5	\$ 497.6
	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Annual Recurring Revenue [^](ARR) Bookings (millions)				
ARR Bookings	\$ 18.1	\$ 17.6	\$ 39.2	\$ 27.3

[^]Annual recurring revenue "ARR" from new sales, defined as the annual recurring revenue expected to be generated from new accounts, new applications, and add-on sales bookings contracts signed in the quarter

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Supplemental Financial Data

Adjusted EBITDA (millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 13.3	\$ 6.5	\$ 28.8	\$ 4.6
Plus:				
Income tax expense (benefit)	4.4	2.0	11.1	(2.4)
Net interest expense	8.8	8.4	16.5	17.0
Net other income (expense)	(2.0)	(1.4)	(4.3)	(0.1)
Depreciation expense	6.0	5.3	11.0	10.7
Amortization expense	26.2	28.1	52.7	56.3
Non-cash stock-based compensation expense	6.8	7.7	14.8	14.4
Adjusted EBITDA before significant transaction-related expenses	\$ 63.5	\$ 56.6	\$ 130.6	\$ 100.5
Significant transaction-related expenses:				
Employee related actions	—	2.9	—	3.7
European datacenter migration	1.3	—	1.8	—
Divestiture transaction related	1.4	—	1.4	—
Other	—	0.5	—	0.9
Adjusted EBITDA	\$ 66.2	\$ 60.0	\$ 133.8	\$ 105.1
Revenue, net of interchange				
Revenue	\$ 340.4	\$ 301.7	\$ 663.5	\$ 586.9
Interchange	103.8	87.5	197.0	174.8
Revenue, net of interchange	\$ 236.6	\$ 214.2	\$ 466.5	\$ 412.1
Net Adjusted EBITDA Margin	28%	28%	29%	26%

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Supplemental Financial Data

Segment Information (millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue				
Banks	\$ 141.9	\$ 114.1	\$ 274.1	\$ 210.0
Merchants	36.5	37.4	77.5	76.1
Billers	162.0	150.2	311.8	300.8
Total Revenue	\$ 340.4	\$ 301.7	\$ 663.4	\$ 586.9
Recurring Revenue				
Banks	\$ 60.7	\$ 63.6	\$ 122.0	\$ 126.0
Merchants	34.9	35.7	69.7	70.9
Billers	161.9	150.2	311.8	300.7
Total	\$ 257.5	\$ 249.5	\$ 503.5	\$ 497.6
Segment Adjusted EBITDA				
Banks	\$ 70.2	\$ 54.5	\$ 134.9	\$ 91.7
Merchants	\$ 7.8	\$ 13.0	22.5	27.8
Billers	\$ 28.3	\$ 34.6	54.7	68.6

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Supplemental Financial Data

EPS Impact of Non-cash and Significant Transaction-related Items (millions)

	Three Months Ended June 30,			
	2022		2021	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 0.12	\$ 13.3	\$ 0.05	\$ 6.5
Adjusted for:				
Significant transaction-related expenses	0.02	2.1	0.02	2.6
Amortization of acquisition-related intangibles	0.06	6.9	0.06	7.1
Amortization of acquisition-related software	0.04	4.5	0.05	6.3
Non-cash stock-based compensation	0.05	5.2	0.05	5.9
Total adjustments	0.17	18.7	0.18	21.9
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 0.29	\$ 32.0	\$ 0.23	\$ 28.4

	Six Months Ended June 30,			
	2022		2021	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 0.25	\$ 28.8	\$ 0.04	\$ 4.6
Adjusted for:				
Significant transaction-related expenses	0.02	2.4	0.03	3.5
Amortization of acquisition-related intangibles	0.12	13.9	0.12	14.1
Amortization of acquisition-related software	0.08	9.6	0.11	13.0
Non-cash stock-based compensation	0.10	11.2	0.09	11.0
Total adjustments	0.32	37.1	0.35	41.6
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 0.57	\$ 65.9	\$ 0.39	\$ 46.2

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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. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income (loss).
- Net Adjusted EBITDA Margin: Adjusted EBITDA divided by revenue net of pass-through interchange revenue. Net Adjusted EBITDA Margin should be considered in addition to, rather than as a substitute for, net income (loss).
- Diluted EPS adjusted for non-cash and significant transaction related items: diluted EPS plus tax effected significant transaction related items, amortization of acquired intangibles and software, and non-cash stock-based compensation. Diluted EPS adjusted for non-cash and significant transaction related items should be considered in addition to, rather than as a substitute for, diluted EPS.
- Recurring Revenue: revenue from software as a service and platform service fees and maintenance fees. Recurring revenue should be considered in addition to, rather than as a substitute for, total revenue.
- *Annual recurring revenue "ARR" from new sales, defined as the annual recurring revenue expected to be generated from new accounts, new applications, and add-on sales bookings contracts signed in the quarter.

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 our Three Pillar strategy; our full year 2022 expectations for revenue, quarterly phasing, adjusted EBITDA, net adjusted EBITDA margin; and our expectations for Q3 2022 revenue and adjusted EBITDA.

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, consolidations and failures in the financial services industry, customer reluctance to switch to a new vendor, 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, 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, our ability to protect customer information from security breaches or attacks, our ability to adequately defend our intellectual property, exposure to credit or operating risks arising from certain payment funding methods, 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, adverse changes in the global economy, worldwide events outside of our control, failure to attract and retain key personnel, litigation, future acquisitions, strategic partnerships and investments, integration of and achieving benefits from the Speedpay acquisition, impairment of our goodwill or intangible assets, restrictions and other financial covenants in our debt agreements, our existing levels of debt, the accuracy of management's backlog estimates, exposure to unknown tax liabilities, 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, volatility in our stock price, and the COVID-19 pandemic. 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.

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