



# Earnings Presentation

**Q4 and Full Year 2021**

February 24, 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 statement 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 and financial disruptors to:

Process and manage **digital payments**

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Enable **omni-commerce payments**

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Present and process **bill payments**

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Manage **fraud and risk**

We combine our global footprint with 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
- 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

# FY 2021 Highlights

## Consolidated Results

Total revenue of \$1.4B, up 6% from 2020

Adjusted EBITDA of \$384M, up 7% from 2020

Net adjusted EBITDA margin of 38%, up from 37% in 2020

Exceeded Rule of 40 for first year ever

## Segment Results

Banking revenue +12%

Merchant revenue +2%

Biller revenue +1%

## Balance Sheet

\$122M cash balance\*

Revolving credit facility of \$500M, Repaid \$94M of debt in 2021

\$1B debt  
Net debt ratio of 2.5x\*

Repurchased 3 million shares in 2021 and 800 thousand so far in 2022

- \$190 million remaining on authorization

\* Statistics as of 12/31/2021

# 2022 Guidance

*2022 will cement our foundation for growth acceleration*

## 2022 Revenue Guidance

Revenue expected  
**\$1.415B - \$1.435B**

Expect quarterly phasing  
less second half weighted

## 2022 adjusted EBITDA guidance

Adjusted EBITDA expected  
**\$400M - \$415M**

Expect net adjusted EBITDA  
margin slightly higher than  
2021

## Q1 2022

Revenue expected  
**\$310M - \$330M**

Adjusted EBITDA  
expected **\$60M - \$80M**

# 2021 Quarter 4 : Recognitions

*Leading global industry research firms recognize ACI's solutions leadership*



## **Best Online Payment Solution - Merchant**

ACI Secure Commerce



## **Best Application in AI in Large Enterprise**

ACI Incremental Learning Technology



## **Best Wow Insight from Data Award**

ACI Fraud Management

## **Best Pillar of Payments Award**

ACI Acquiring



## **Most Innovative Cloud Deployment**

ACI Acquiring

## **Best Payment Hub/Wholesale Payments**

ACI Acquiring

# ACI Worldwide

Real-Time Payments



# Supplemental Financial Data

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
<b>Recurring Revenue (millions)</b>				
SaaS and PaaS fees	\$ 190.8	\$ 205.3	\$ 774.3	\$ 769.2
Maintenance fees	51.5	52.6	210.5	211.7
<b>Recurring Revenue</b>	<b>\$ 242.3</b>	<b>\$ 257.9</b>	<b>\$ 984.8</b>	<b>\$ 980.9</b>
	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
<b>Annual Recurring Revenue (ARR) Bookings (millions)</b>				
ARR Bookings	\$ 31.8	\$ 39.8	\$ 81.5	\$ 89.7

# Supplemental Financial Data

Adjusted EBITDA (millions)	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
<b>Net income</b>	\$ 109.5	\$ 67.1	\$ 127.8	\$ 72.7
Plus:				
Income tax expense	44.9	24.3	47.3	26.0
Net interest expense	8.1	9.5	33.5	45.0
Net other (income) expense	0.3	(5.2)	1.3	1.1
Depreciation expense	5.1	6.7	20.9	24.7
Amortization expense	28.0	28.6	112.5	115.6
Non-cash stock-based compensation expense	6.4	6.7	27.2	29.6
<b>Adjusted EBITDA before significant transaction-related expenses</b>	<b>202.3</b>	<b>137.7</b>	<b>370.5</b>	<b>314.7</b>
Significant transaction-related expenses:				
Employee related	2.2	11.0	10.3	24.3
Facility closures	—	6.5	—	10.2
Other	0.6	1.4	3.1	10.1
<b>Adjusted EBITDA</b>	<b>\$ 205.1</b>	<b>\$ 156.6</b>	<b>\$ 383.9</b>	<b>\$ 359.3</b>
Revenue, net of interchange				
Revenue	\$ 466.8	\$ 387.0	\$ 1,370.6	\$ 1,294.3
Interchange	90.0	82.5	352.7	334.3
<b>Revenue, net of interchange</b>	<b>\$ 376.8</b>	<b>\$ 304.5</b>	<b>\$ 1,017.9</b>	<b>\$ 960.0</b>
<b>Net Adjusted EBITDA Margin</b>	<b>54 %</b>	<b>51 %</b>	<b>38 %</b>	<b>37 %</b>

# Supplemental Financial Data

Segment Information (millions)	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
<b>Revenue</b>				
Banks	\$ 283.4	\$ 201.6	\$ 625.1	\$ 558.5
Merchants	37.9	39.5	153.0	149.3
Billers	145.5	145.9	592.5	586.5
<b>Total Revenue</b>	<b>\$ 466.8</b>	<b>\$ 387.0</b>	<b>\$ 1,370.6</b>	<b>\$ 1,294.3</b>
<b>Recurring Revenue</b>				
Banks	\$ 61.0	\$ 76.7	\$ 250.6	\$ 263.7
Merchants	35.8	35.3	141.8	130.8
Billers	145.5	145.9	592.4	586.4
<b>Total Recurring Revenue</b>	<b>\$ 242.3</b>	<b>\$ 257.9</b>	<b>\$ 984.8</b>	<b>\$ 980.9</b>
<b>Segment Adjusted EBITDA</b>				
Banks	\$ 213.6	\$ 148.9	\$ 372.9	\$ 331.4
Merchants	12.3	15.2	54.3	53.4
Billers	28.4	36.7	129.0	135.1

# Supplemental Financial Data

## EPS impact of non-cash and significant transaction-related items (millions)

### GAAP net income

Adjusted for:

Significant transaction-related expenses

Amortization of acquisition-related intangibles

Amortization of acquisition-related software

Non-cash stock-based compensation

### Total adjustments

### Diluted EPS adjusted for non-cash and significant transaction-related items

	Three Months Ended December 31,			
	2021		2020	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 0.93	\$ 109.5	\$ 0.56	\$ 67.1
Adjusted for:				
Significant transaction-related expenses	0.02	2.1	0.12	14.5
Amortization of acquisition-related intangibles	0.06	7.0	0.06	7.0
Amortization of acquisition-related software	0.05	5.5	0.06	7.5
Non-cash stock-based compensation	0.04	4.9	0.04	5.1
<b>Total adjustments</b>	<b>0.17</b>	<b>19.5</b>	<b>0.28</b>	<b>34.1</b>
<b>Diluted EPS adjusted for non-cash and significant transaction-related items</b>	<b>\$ 1.10</b>	<b>\$ 129.0</b>	<b>\$ 0.84</b>	<b>\$ 101.2</b>

## EPS impact of non-cash and significant transaction-related items (millions)

### GAAP net income

Adjusted for:

Significant transaction-related expenses

Amortization of acquisition-related intangibles

Amortization of acquisition-related software

Non-cash stock-based compensation

### Total adjustments

### Diluted EPS adjusted for non-cash and significant transaction-related items

	Years Ended December 31,			
	2021		2020	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 1.08	\$ 127.8	\$ 0.62	\$ 72.7
Adjusted for:				
Significant transaction-related expenses	0.09	10.2	0.29	34.2
Amortization of acquisition-related intangibles	0.24	28.1	0.24	28.2
Amortization of acquisition-related software	0.21	24.6	0.27	31.8
Non-cash stock-based compensation	0.17	20.7	0.19	22.5
<b>Total adjustments</b>	<b>0.71</b>	<b>83.6</b>	<b>0.99</b>	<b>116.7</b>
<b>Diluted EPS adjusted for non-cash and significant transaction-related items</b>	<b>\$ 1.79</b>	<b>\$ 211.4</b>	<b>\$ 1.61</b>	<b>\$ 189.4</b>

# 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.

# 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 full year and Q1 2022 financial guidance for revenue, adjusted EBITDA and net adjusted EBITDA margin.

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, potential adverse effects from the impending replacement of LIBOR, 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.