

ACI Worldwide, Inc. Reports Financial Results for the Quarter Ended September 30, 2012

(NAPLES, FL — November 8, 2012) — ACI Worldwide, Inc. (NASDAQ:ACIW), a leading international provider of payment systems, today announced financial results for the period ended September 30, 2012. We will hold a conference call on November 8, 2012, at 4:30 p.m. EST to discuss this information. Interested persons may also access a real-time audio broadcast of the teleconference at www.aciworldwide.com/investors.

Operating Highlights

- Reaffirmation of full year 2012 guidance
- Strong sales bookings of \$192 million across all geographies, up 67% over prior year and 23% over prior quarter
- Repurchased 312,000 shares in the open market for \$13.8 million
- Repurchased outstanding IBM warrants for \$29.6 million
- 1.8 million shares remaining in share repurchase authorization
- Completed the acquisition of Distra Pty Ltd

“We achieved strong sales bookings across all geographies in the quarter driven by sales, net of term extensions. The strength in global sales underscores our 2012 growth objectives and provides us with strong forward momentum,” said Chief Executive Officer Philip Heasley. “Also, our acquisition of Distra in September further enhances our focus on product innovation and will enable cross-selling opportunities and acceleration of customer implementations when orchestrated with ACI’s suite of payments products,” continued Mr. Heasley.

Financial Summary

2012 Guidance

We are reiterating our guidance for the 2012 calendar year as follows: Non-GAAP revenue to achieve a range of \$706-\$716 million, Non-GAAP Operating Income of \$122-\$127 million and Adjusted EBITDA of \$188-\$193 million. All guidance metrics exclude the impact of \$23 million of deferred revenue that would have been recognized in the normal course of business by S1 but was not recognized due to GAAP purchase accounting requirements. The Non-GAAP Operating Income and Adjusted EBITDA also exclude \$31 million of acquisition and integration related one-time expenses. Previous guidance given on July 26, 2012 did not consider the aforementioned \$23 million impact of the S1 deferred revenue adjustment, as follows: GAAP Revenue \$683-\$693 million, non-GAAP Operating Income of \$99-\$104 million, and Adjusted EBITDA of \$165-\$170 million.

Sales

Sales bookings in the quarter totaled \$192 million, an increase of \$77 million, or 67%, over prior year quarter. Sales net of term extensions in the quarter totaled \$126 million, an increase of \$51 million, or 69%, over the prior-year quarter. S1 contributed \$44 million to sales in the quarter. Historical ACI sales increased \$33 million, or 28%, over prior year quarter sales bookings of \$115 million.

Backlog

60-month backlog increased \$61 million in the quarter to \$2.367 billion as compared to \$2.306 billion as of June 30, 2012. 12-month backlog increased \$14 million to \$584 million as compared to \$570 million at June 30, 2012.

Revenue

GAAP revenue increased to \$155.1 million, an increase of \$42.9 million, or 38%, over prior-year quarter. S1 contributed \$47.8 million of revenue in the third quarter. Historical ACI revenue was impacted by approximately \$2 million in unfavorable foreign currency movements as compared to the prior year quarter. Non-GAAP revenue was \$159.9 million, an increase of \$47.8 million, or 43%, over prior year quarter. Non-GAAP revenue excludes the impact of \$4.9 million of deferred revenue that would have been recognized in the normal course of business by S1 but was not recognized due to GAAP purchase accounting requirements.

Operating Expenses

Excluding \$4.5 million and \$3.4 million of S1 acquisition related one-time expenses incurred in the quarters ended September 30, 2012 and 2011, respectively, operating expenses increased \$44.8 million compared to the prior year quarter due to the addition of \$44.0 million of S1 operating expenses, inclusive of \$4.0 million of intangibles amortization. Total GAAP operating expenses for the quarter were \$146.8 million.

Operating Income

Consolidated GAAP operating income was \$8.3 million for the quarter. Non-GAAP operating income totaled \$17.7 million, an increase of \$3.0 million, or 20%, compared to the prior-year quarter. Non-GAAP operating income excludes the \$4.9 million deferred revenue adjustment due to purchase accounting as well as the impact of \$4.5 million of acquisition-related one-time expenses.

Adjusted EBITDA

Adjusted EBITDA increased to \$33.6 million, an improvement of \$9.5 million, or 40%, compared to the prior year quarter. Adjusted EBITDA excludes the impact of \$4.9 million of deferred revenue that would have been recognized in the normal course of business by S1 but was not recognized due to GAAP purchase accounting requirements and \$4.4 million of acquisition related one-time expenses.

Liquidity

We ended the quarter with \$87.7 million in cash on hand as of September 30, 2012. During the quarter, we repurchased approximately 312,000 shares in the open market for \$13.8 million and we purchased 2.5 million warrants from IBM for a total purchase price of \$29.6 million. At the end of third quarter, the remaining stock repurchase authorization was 1.8 million shares, or approximately \$76 million based on the closing share price on September 30, 2012. In addition, we paid \$3.1 million in principal payments on our term credit facility. Also, during the quarter, we acquired Distra for \$49.8 million.

Operating Free Cash Flow

Operating free cash flow ("OFCF") for the quarter was essentially break-even, a decrease of \$25 million as compared to the prior-year quarter primarily from timing of customer billings and collections as we integrate S1 back office and corporate functions and higher capital expenditures resulting from our facilities, IT and data center consolidations.

Other Expense

Other expense for the quarter was \$3.8 million, an increase of \$3.6 million as compared to other expense of \$0.2 million in the prior-year quarter. The variance was driven by an increase of \$2.2 million in interest expense as well as a negative foreign exchange variance of \$1.4 million.

Taxes

Income tax benefit in the quarter was \$1.2 million compared to income tax expense of \$0.5 million in the prior year quarter. The income tax benefit for the quarter ended September 30, 2012 was primarily due to the beneficial impact of domestic losses at the U.S. tax rate offset by foreign income at lower tax rates. The effective tax rate was also beneficially impacted by the release of certain tax reserves related to tax years for which the statute of limitations has expired.

Net Income and Diluted Earnings Per Share

Net income for the quarter ended September 30, 2012 was \$5.7 million, compared to net income of \$10.5 million during the same period last year.

Earnings per share for the quarter ended September 30, 2012 was \$0.14 per diluted share compared to \$0.31 per diluted share during the same period last year. Excluding the impact of \$4.5 million of S1 acquisition related one-time expenses and the impact of \$4.9 million of deferred revenue that would have been recognized in the normal course of business by S1 but was not recognized due to GAAP purchase accounting requirements, earnings per share was \$0.29 per diluted share.

Weighted Average Shares Outstanding

Total diluted weighted average shares outstanding were 40.7 million for the quarter ended September 30, 2012 as compared to 34.3 million shares outstanding for the quarter ended September 30, 2011. The number of weighted average shares outstanding was increased by 5.8 million due to the issuance of shares related to the acquisition of S1 Corporation.

About ACI Worldwide

ACI Worldwide powers electronic payments and banking for more than 1,650 financial institutions, retailers and processors around the world. ACI software enables \$12 trillion in payments each day, processing transactions for 14 of the leading global retailers, and 24 of the world's 25 largest banks. Through our integrated suite of software products and hosted services, we deliver a broad range of solutions for payments processing, card and merchant management, online banking, mobile, branch and voice banking, fraud detection, and trade finance. To learn more about ACI and the reasons why our solutions are trusted globally, please visit www.aciworldwide.com. You can also find us on www.paymentsinsights.com or on Twitter @ACI_Worldwide.

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