



Analyst Day

November 10, 2020

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.

Welcome

John Kraft

VP, Investor Relations & Strategic Analysis

Launching a New ACI

Odilon Almeida

President & CEO

ACI Assessment

Strengths

- Large, dynamic and growing market
- Blue chip customers and mission-critical products
- R&D center of excellence
- Successful track record of value creation through M&A

Areas for Improvement

- Profitable organic growth
- Go-to-market execution
- Predictability
- Simpler story and operating model

Key Message for Today

ACI is a Significant Value Creation Opportunity

- Continuous profitable organic growth
- A more predictable business on an annual basis
- Step-change value creation with M&A
- A simpler story

Today's Agenda

Fit for Growth

Tony Dinkins, Chief Human Resources Officer
Al Monserrat, Chief Revenue Officer

Focused on Growth

Jeremy Wilmot, Chief Product Officer
Eve Aretakis, Chief Technology Officer

Step-Change Value Creation

Craig Maki, EVP, Corporate Development

Panel Discussion

Barclays Payments, Mastercard, Federal Reserve Bank

Simplifying Our Story

Mike Braatz, Chief Strategy & Marketing Officer

Long-Term Outlook

Scott Behrens, Chief Financial Officer

Closing Comments

Odilon Almeida, President & CEO

Q&A

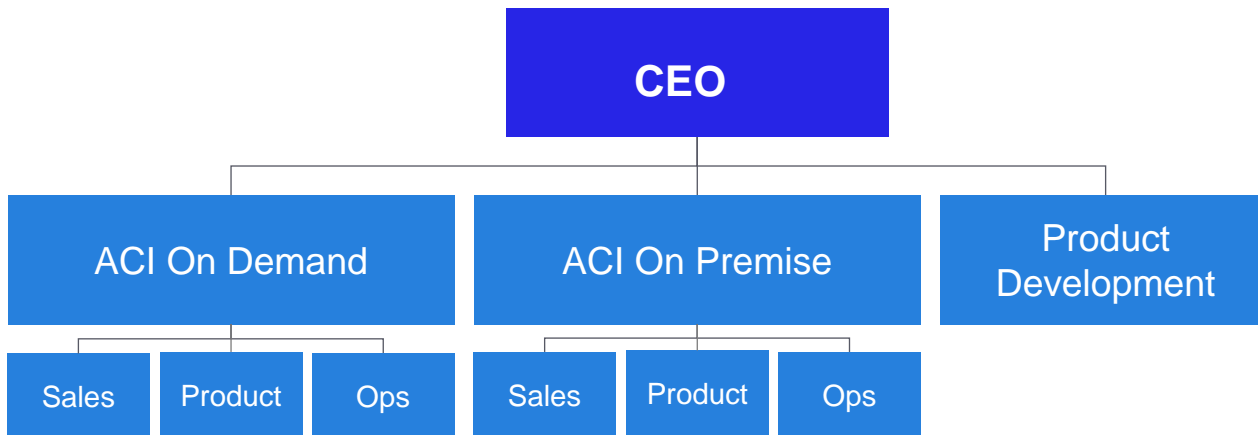
Fit for Growth

Tony Dinkins

Chief Human Resources Officer

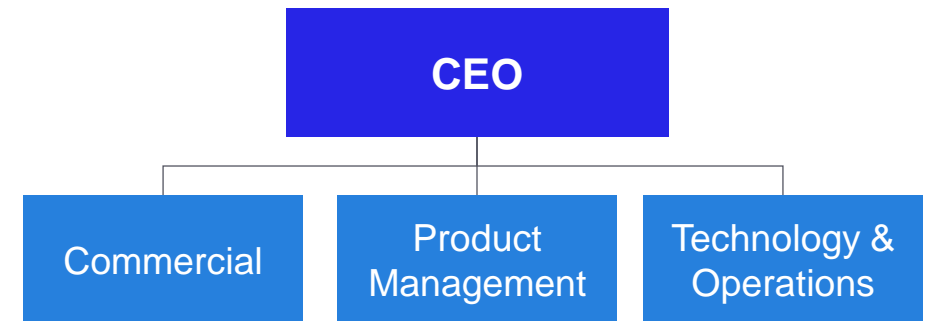
We are moving from 2 business units to a more efficient functional organizational model

Old ACI



- Redundancies in Sales, Product Management and Operations

New ACI

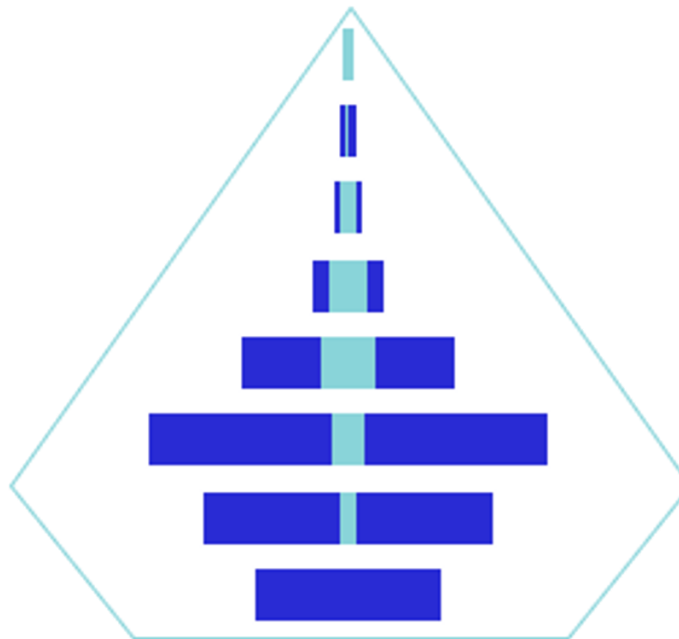


- Simpler, more nimble and agile

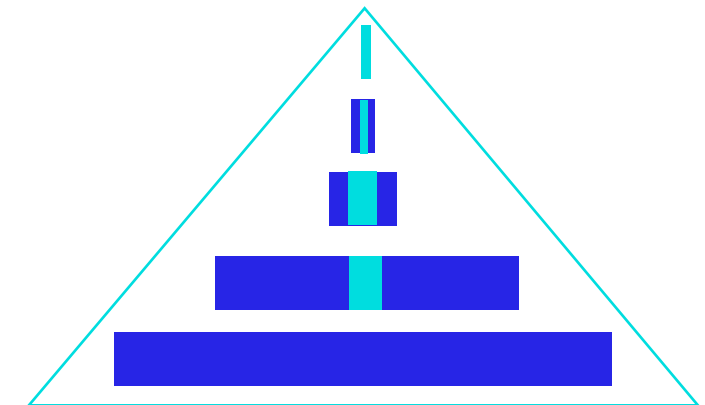
We are making a step-change in organizational simplification

- Flat, delayed structure
- Leaders closer to front line
- Eliminate redundancy
- Fewer managers, more individual contributors

Old ACI



New ACI



■ Manager
■ Individual Contributor

The ACI team is more efficiently deployed

Impact	From	To
Layers reduced	8	5
Span of control	6	8
Managers to frontline ratio	1:6	1:7
Directors and above	7%	6%

The new organizational design results in \$35M annual savings

- \$35M savings in 2021
- Eliminated redundant costs
- Streamlined management layers
- Redefined key organizational processes

We are rationalizing office space based on expected demand, delivering an additional \$4M of savings

- Closing or right-sizing 40% of offices
- Improves office utilization to 85+%
- Headquarters downsized by half and moved to Miami
- Flexible work environment

	From	To
# offices	56	39
Square footage	870K	680K
Headquarters	Naples 50K ft ²	Miami 26K ft ²

Fit for Growth

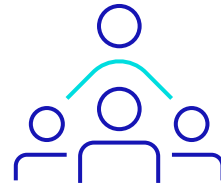
AI Monserrat

Chief Revenue Officer

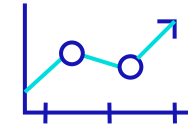
We are reinvesting \$35M to drive growth in the new ACI



Focused investment in high-growth areas with greatest return



New Commercial organization



Increased investment in sales and marketing

We are investing to increase sales capacity

25%



increase in sales and
marketing investment
aligned with product strategy

35%



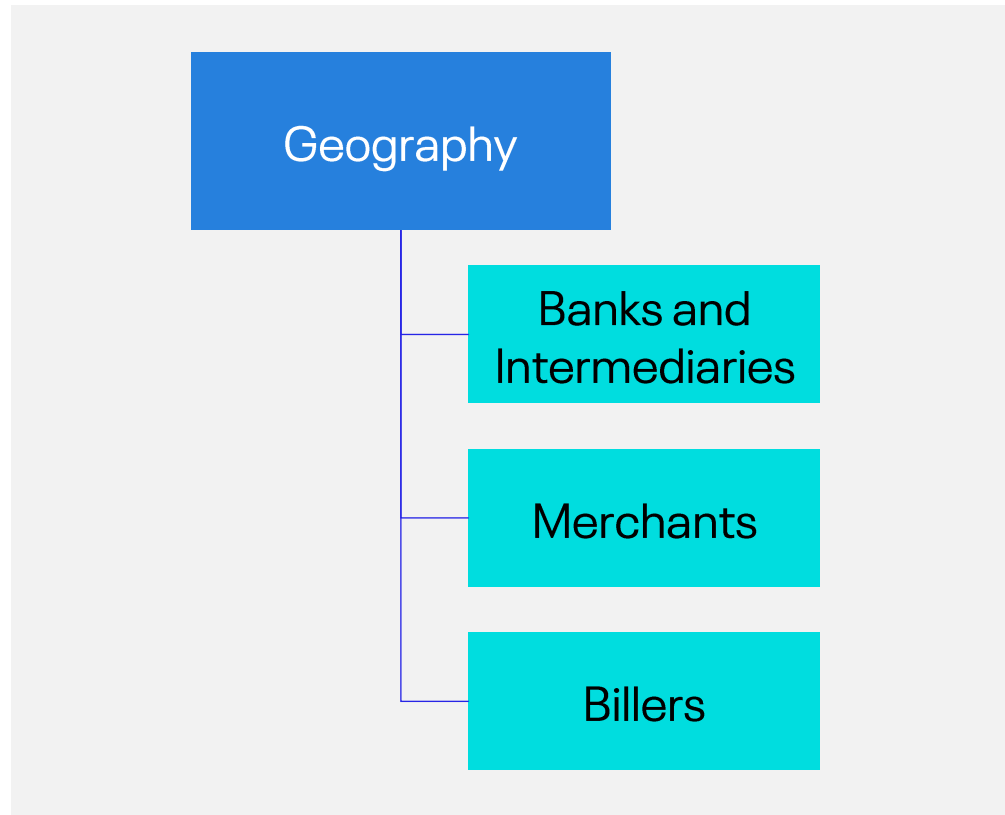
increase in sales
“feet on the street”

We are flattening the Commercial organization to decrease levels between CEO and sales reps

	From	To
Layers	8	5

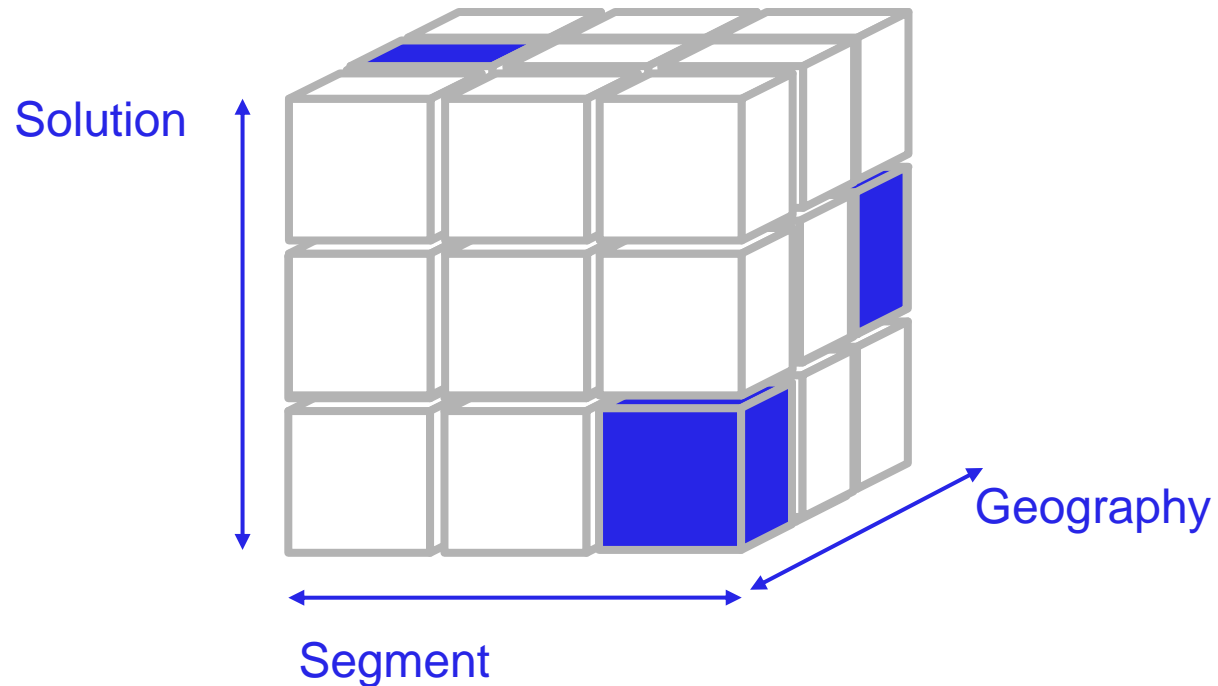
- Increased speed of decisions
- Improved communication
- More sales reps, fewer managers

Commercial teams will be organized by geography and customer segment



- Improved local execution
- More consistent message
- Leverage ACI brand and strengths

Sales investment is prioritized based on the intersection of geography, segment and solution



- Improved investment prioritization and ROI
- Highly targeted marketing
- More efficient people allocation

We are creating a focused, best-in-class sales organization

Growth



New Sales



Retain and Expand



Monitor

Grow pipeline and accelerate closing of deals

Increase bookings and revenue from new sales

Deliver high customer satisfaction; increase adoption and retention

Optimize execution through business intelligence and predictive analytics

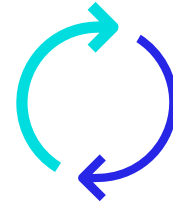
Sales efficiency and productivity will improve through focus, discipline and analytics



Compensation
or incentives



Opportunity
identification
and prioritization








Back-office
optimization



Sales performance
management

We will become a trusted advisor to our customers

	From		To
Pricing	Cost		Value
Customer engagement	At renewal		Ongoing nurture
Account planning	Reactive		Proactive
Sales approach	Product-centric		Customer-centric
Relationship	Tactical		Strategic

We are aligning Sales and Marketing strategy with Product strategy



Alignment results in

19%*

faster
revenue growth

15%*

higher
profitability

*SiriusDecisions Summit '19, Keynote, Marisa Kopec, VP of Innovation and Product Management, Research Fellow

Focused on Growth

Jeremy Wilmot

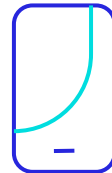
Chief Product Officer

We are focusing our investments in areas that will yield double-digit growth



Real-Time Payments

Global banks and central infrastructures



Global Merchants

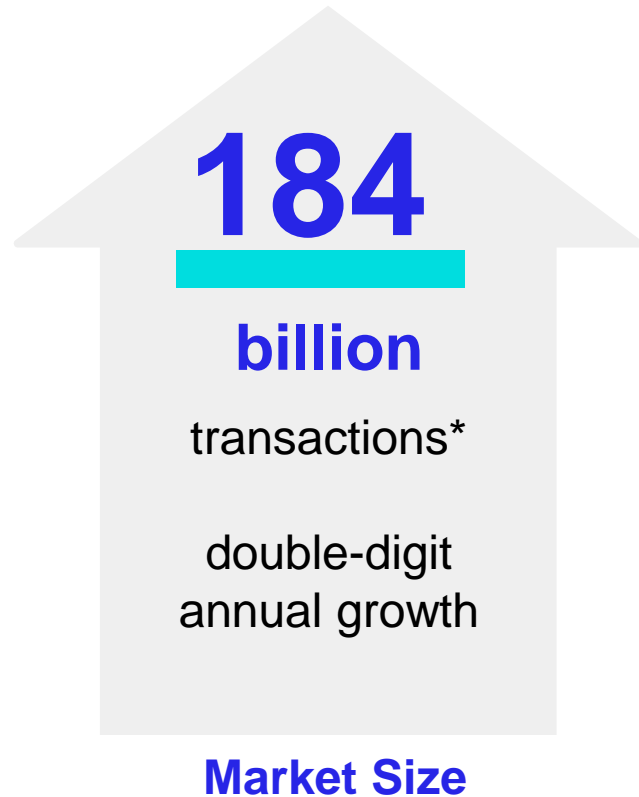
Large, sophisticated global merchants



Emerging Markets

High-growth countries in emerging markets globally

ACI is well positioned to take advantage of growing real-time payment volumes



How ACI Will Win and Grow

Connect banks to real-time

- Cross-sell to large existing customer base of global banks

Power central infrastructures

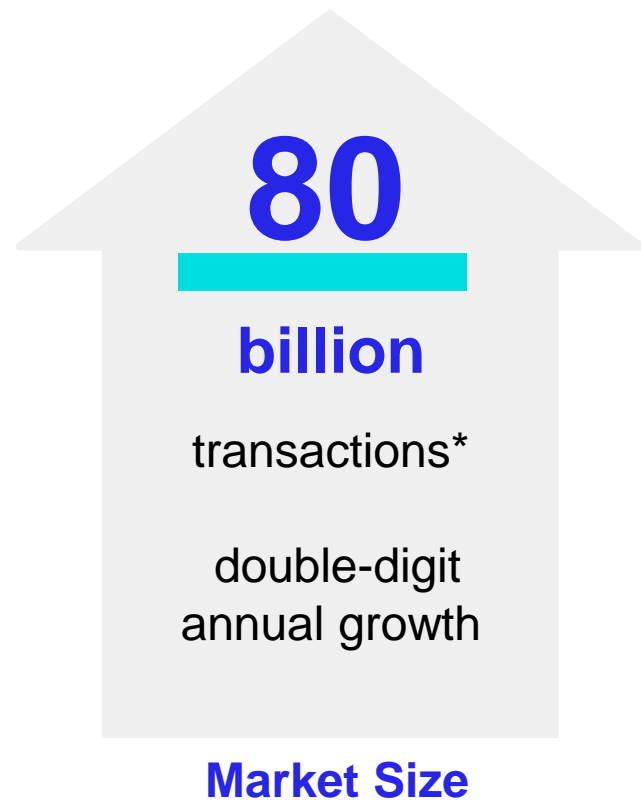
- Targeting countries investing in real-time rails

Enrich offer with value-added services

- Services like Request-to-Pay drive real-time adoption

** Annual real-time (account-to-account) transactions in ACI target markets globally*

ACI solutions help global merchants grow and capitalize on the digital transformation of commerce



How ACI Will Win and Grow

Secure eCommerce

- 300+ payment methods and multi-layered fraud management for global merchants

Omni-Commerce

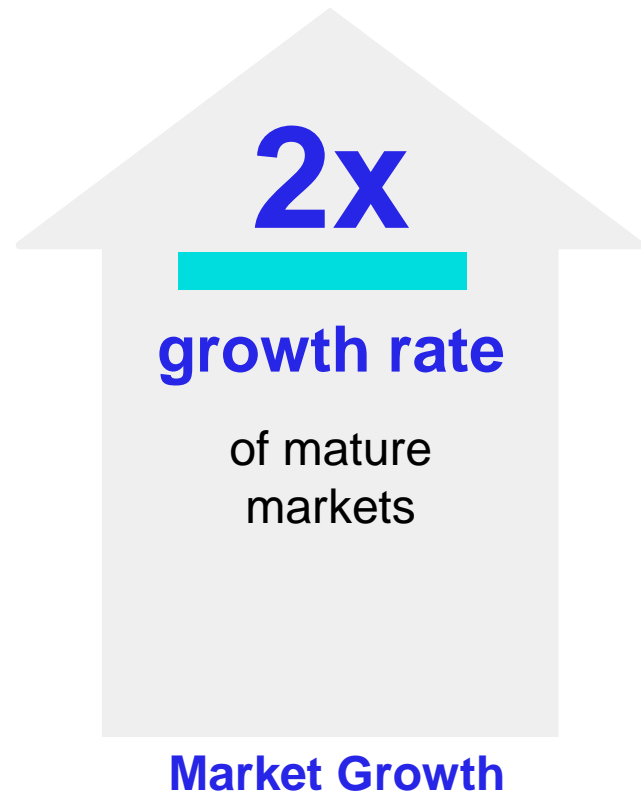
- Flexibility and acquirer independence for global merchants

Global Acquirers and Merchant Processors

- Extend ACI reach to small and medium merchants through global acquirers and processors

* Annual global eCommerce transactions in target markets

We are increasing our focus and investment in Emerging Markets



How ACI Will Win and Grow

Africa

- Real-time cross-sell

Asia

- Issuing and Acquiring

Latin America

- Large merchants

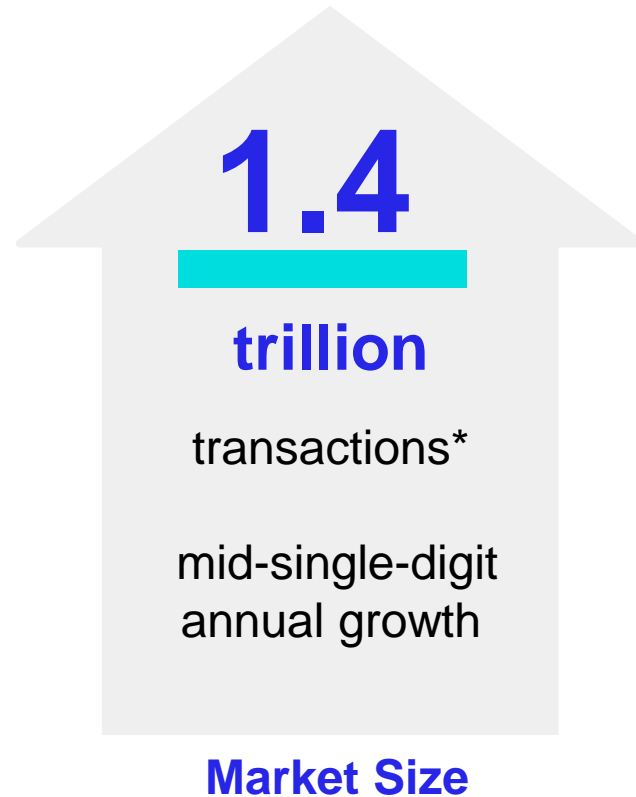
Middle East

Focused on Growth

Eve Aretakis

Chief Technology Officer

We will protect and grow our large, global Issuing and Acquiring business



How ACI Will Win and Grow

Protect and grow retail banking franchise

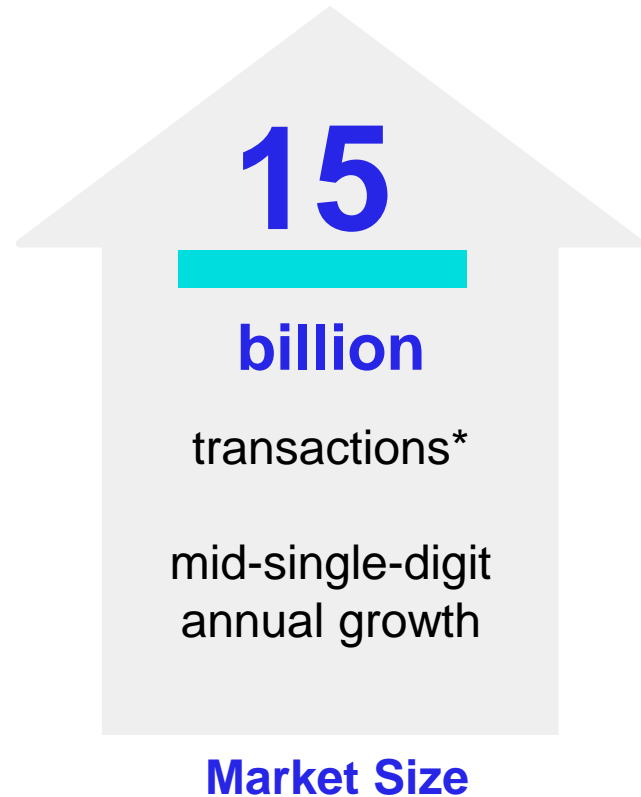
- Modernize payments infrastructure and migrate to the cloud
- Cross-sell real-time, acquiring, fraud management

Focused new logo opportunities

- Increased sales resources in emerging markets
- Cloud-first solutions

** Annual global card issuing and acquiring transactions*

We will protect and grow our large Bill Payments business



How ACI Will Win and Grow

Double down on key verticals

- Utilities, Credit, Higher Education, Insurance

Increased sales coverage

- Doubling sales resources in target verticals

End-to-end solutions

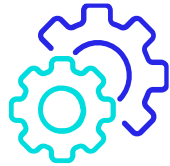
- Student portal
- Disbursements
- Subscriptions

Innovation

- Mobile bill presentment
- Delay my payment

** Annual U.S. direct bill payment transactions in target verticals*

Platform consolidation will drive cost synergies and enhanced capabilities



Single Biller Platform

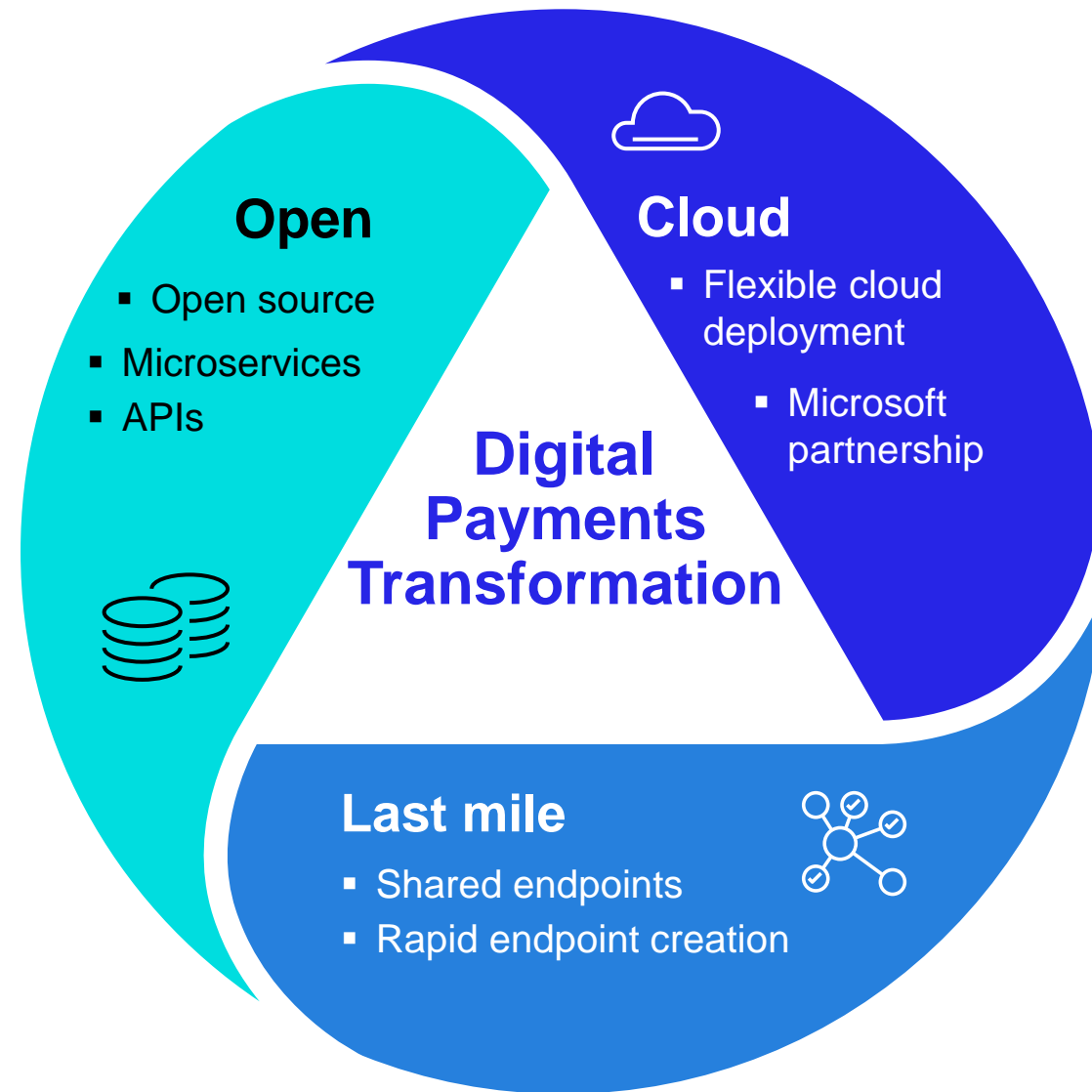
Combining the best of ACI and Speedpay platforms



Converging Digital Commerce Platforms

Integrated omni-commerce solution

We are accelerating the digital transformation of payments



Step-Change Value Creation

Craig Maki

EVP, Corporate Development Officer

We will use acquisitions and divestitures to unlock step-change value creation

Inorganic Value-Creation Themes

- Software-led payment assets
- Bolster organic revenue growth and/or enhance scale
- Valuation discipline and integration execution
- Actionable, realistic synergies



Inorganic Areas of Focus

- Strengthen **Biller** leadership
- Cloud capabilities and value-added services in **Real-Time, Acquiring and Omni-Commerce**
- Divestiture opportunities

Real-Time Payments

Panel Discussion

Jeremy Wilmot

Moderator

Rob Cameron

CEO

Barclays Payments

Stephen Grainger

EVP, Cross-Border

Services

Mastercard

Tim Boike

VP, Industry Relations

& Engagement

Federal Reserve Bank

Simplifying Our Story

Mike Braatz

Chief Strategy & Marketing Officer

ACI Worldwide

Real-Time Payments

The ACI brand now has a simpler message

ACI Worldwide is a **global software** company
that delivers **mission-critical**
real-time payment solutions to corporations.

Serving customers is the focus of our story

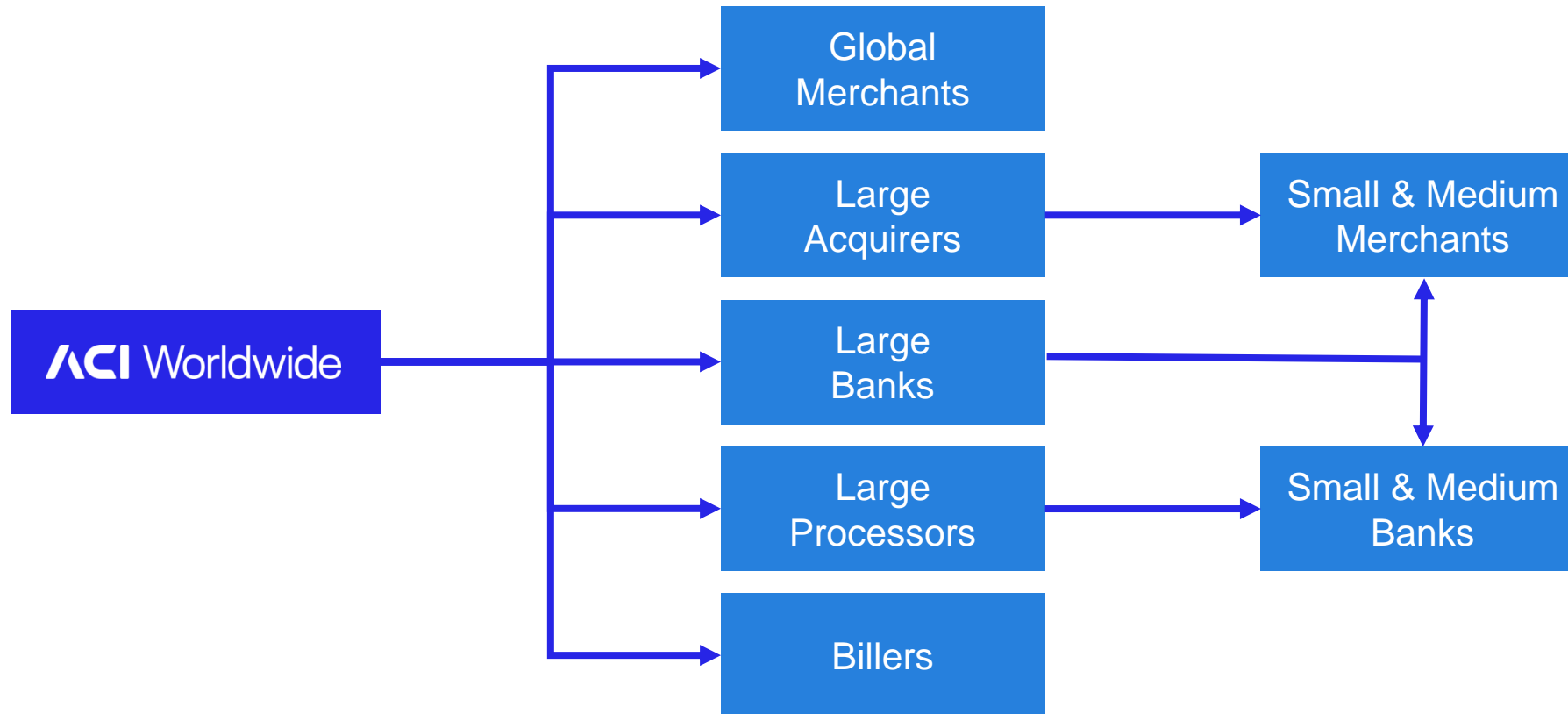
Customers use our proven, scalable solutions to process and manage **digital payments**, enable **omni-commerce payments**, present and process **bill payments**, and manage **fraud and risk**.

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

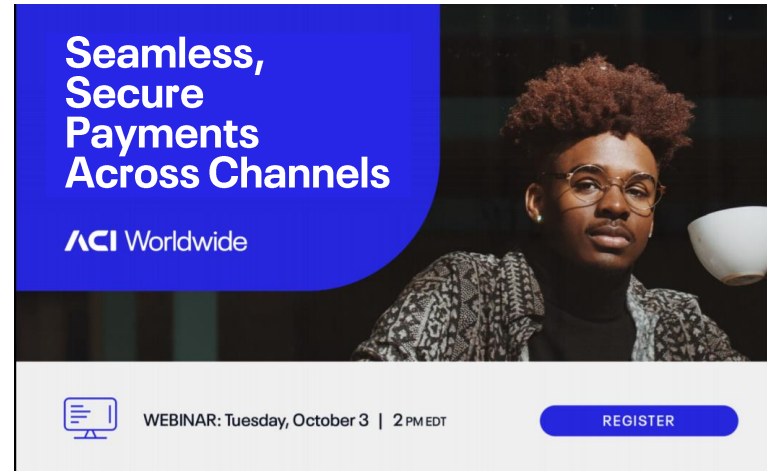
Our proven, scalable and secure solutions address specific customer needs

Customer Needs	Process and manage digital payments	Enable omni-commerce payments	Present and process bill payments	Manage fraud and risk
Our Solutions	<ul style="list-style-type: none">▪ Issuing▪ Acquiring▪ Real-Time Payments▪ Digital Business Banking	<ul style="list-style-type: none">▪ Secure eCommerce▪ Omni-Commerce	<ul style="list-style-type: none">▪ Bill Payments	<ul style="list-style-type: none">▪ Fraud Management

ACI serves the largest corporations in payments, and has market reach to all players



Our brand has been updated and modernized

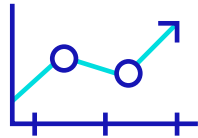


Long-Term Outlook

Scott Behrens

Chief Financial Officer

ACI's portfolio includes both double-digit and single-digit growth solutions



Aggressively Grow **Double-digit growers**

- Real-Time Payments
- Global Merchants
- Emerging Markets



Protect and Grow **Single-digit growers**

- Issuing and Acquiring
- Bill Payments

We have identified significant cost-savings

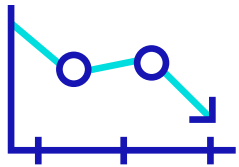
Cost Savings		
	2021	2022
Fit for Growth	\$39M	\$39M
Focused on Growth	\$21M	\$36M
Total Savings*	\$60M	\$75M

**Represents savings generated from organizational simplification, office consolidation and R&D rationalization. Requires estimated \$60-65M of one-time expenses; 2/3 opex and 1/3 capex*

Reinvestment and Improved Profitability		
	2021	2022
Sales & Marketing	\$20M	\$20M
R&D	\$10M	\$15M
Improved Profitability**	\$30M	\$40M
Total	\$60M	\$75M

*** Permanently replaces \$30M of temporary COVID-related cost savings achieved in 2020*

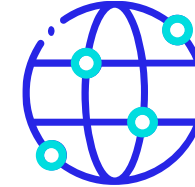
Our plan will continue to use cash in three ways



**Reduce
debt**



**Stock
buy-back**



**Accretive
M&A**

What to expect going forward

	From	To
Financial Reporting	2 P&Ls	1 P&L
Customer Segments	4	3
Bookings Metric	Total Contract Value	Annual Recurring Revenue
Growth Focus	Lumpy non-recurring license fees*	Predictable Recurring Revenue

* We will gradually move contracts from lumpy non-recurring license fees to annual recurring license fees.

Recurring revenue growth will become our most important KPI

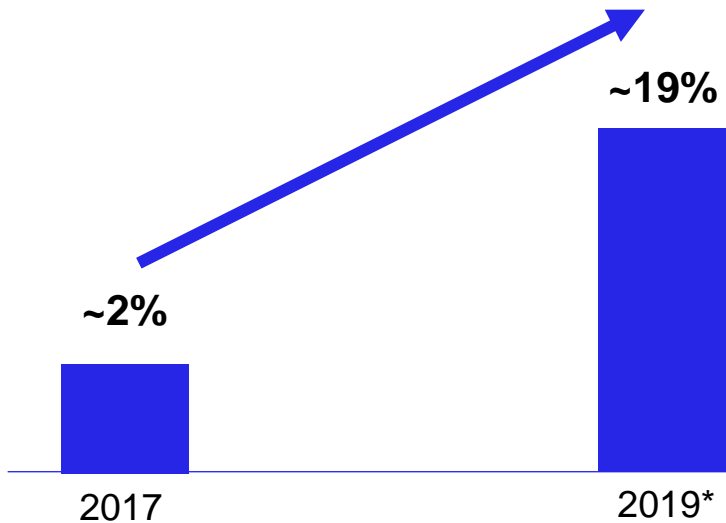
- Recurring revenue is customer-centered and the market trend
- We will gradually move contracts from lumpy non-recurring license fees to annual recurring license fees
- Makes the business more predictable
- This will improve the health of the business

We are updating our long-term outlook with an emphasis on recurring revenue

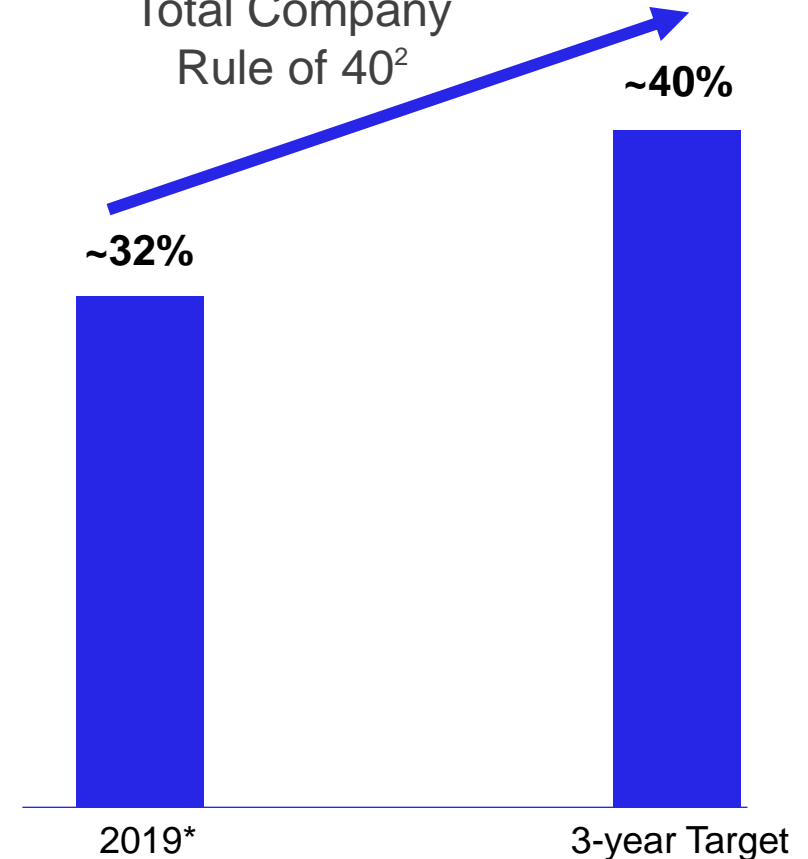
- Mid to high-single-digit **recurring revenue** growth
- Mid-single-digit organic revenue growth
- Gradually improve adjusted EBITDA margin
- Step-change value creation through M&A investments and divestitures
- Target leverage ratio of 2.5x net debt/EBITDA

We will balance growth and profitability in creating long-term shareholder value

ACI On Demand Segment
Rule of 40¹



Total Company
Rule of 40²



¹Rule of 40 equals AOD segment revenue growth + AOD segment net adj. EBITDA margin, which excludes pass through interchange revenue and corporate overhead

*Represents full year 2019 and is pro forma and inclusive of Speedpay acquisition

²Rule of 40 equals total company organic revenue growth + net adj. EBITDA margin, which excludes pass through interchange revenue

Closing Remarks

Odilon Almeida

President & CEO

ACI is a Significant Value Creation Opportunity

- ✓ Continuous profitable organic growth
 - A nimble, agile and fit for growth organization under empowered leaders
 - A best-in-class sales process and structure
 - Focus behind growing mission-critical solutions, segments and geographies
 - We will achieve the Rule of 40*

**Rule of 40 = Organic revenue growth plus net adjusted EBITDA margin, which excludes pass through interchange revenue*

ACI is a Significant Value Creation Opportunity

- ✓ A more predictable business on an annual basis
 - Recurring revenue growth, our most important KPI
 - Gradually transition from lumpy non-recurring license fees to annual recurring license fees
 - Operational discipline, our internal language

ACI is a Significant Value Creation Opportunity

- ✓ Step-change value creation with M&A
 - Accretive investments and divestures will drive step-change value creation
 - ACI has a good track record in inorganic growth

ACI is a Significant Value Creation Opportunity

✓ A simpler story

- Simple company definition and purpose
- Re-engineered brand architecture and positioning

Key Takeaway for Today

ACI is a Significant Value Creation Opportunity

- ✓ Continuous profitable organic growth
- ✓ A more predictable business on an annual basis
- ✓ Step-change value creation with M&A
- ✓ A simpler story

Q & A

ACI Worldwide

Real-Time Payments

CREATING WHAT'S
NEXT
ACI ANALYST DAY 2019

Appendix

Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use non-GAAP measures, including in this presentation, that we believe are helpful in understanding our past financial performance and our future results. The non-GAAP measures in this presentation include pro forma adjustments for our Speedpay acquisition as well as excluding the effects of significant transaction related expenses, and significant non-cash expenses such as stock-based compensation, depreciation, and amortization. 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, and pro forma Speedpay EBITDA. 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).
- Adjusted Revenue: total revenue plus the Speedpay pro forma adjustment. Adjusted Revenue should be considered in addition to, rather than as a substitute for, total revenue.
- Adjusted ACI On Demand Interchange: total interchange expense plus the Speedpay pro forma adjustment. Adjusted ACI On Demand Interchange should be considered in addition to, rather than as a substitute for, interchange.

Non-GAAP Financial Measures

Adjusted EBITDA (millions)	For the Years Ended December 31,	
	2018	2019
Net income	\$ 68.9	\$ 67.1
Plus:		
Income tax expense	22.9	5.1
Net interest expense	30.4	52.1
Net other (income) expense	3.7	(0.5)
Depreciation expense	23.8	24.1
Amortization expense	73.5	98.5
Non-cash stock-based compensation expense	20.4	36.8
Adjusted EBITDA before significant transaction-related expenses	243.6	283.2
Significant transaction-related expenses	7.4	24.9
Speedpay proforma adjustment	95.7	30.5
Adjusted EBITDA	\$ 346.7	\$ 338.6

Segment Information (millions)	For the Years Ended December 31,			
	2016	2017	2018	2019
Revenue				
ACI On Demand	\$ 399.0	\$ 425.6	\$ 433.0	\$ 679.0
Speedpay proforma adjustment	-	-	351.9	124.7
Total adjusted ACI On Demand	\$ 399.0	\$ 425.6	\$ 784.9	\$ 803.7
ACI On Premise	591.3	598.6	576.8	579.3
Corporate and other	15.4	-	-	-
Total adjusted revenue	\$ 1,005.7	\$ 1,024.2	\$ 1,361.7	\$ 1,383.0
Interchange				
ACI On Demand	\$ 143.7	\$ 163.4	\$ 170.2	\$ 321.5
Speedpay proforma adjustment	-	-	184.0	71.1
Total adjusted ACI On Demand interchange	\$ 143.7	\$ 163.4	\$ 354.2	\$ 392.6
Net Revenue				
ACI On Demand	\$ 255.3	\$ 262.2	\$ 430.7	\$ 411.1
ACI On Premise	591.3	598.6	576.8	579.3
Total	\$ 846.6	\$ 860.8	\$ 1,007.5	\$ 990.4
Segment Adjusted EBITDA				
ACI On Demand	\$ (2.6)	\$ (1.8)	\$ 12.0	\$ 66.5
Speedpay proforma adjustment	-	-	95.7	30.5
Total adjusted ACI On Demand	\$ (2.6)	\$ (1.8)	\$ 107.7	\$ 97.0
ACI On Premise	\$ 312.2	\$ 347.1	\$ 323.9	\$ 321.3
Segment Net Adjusted EBITDA Margin				
ACI On Demand	-1%	-1%	25%	24%
ACI On Premise	53%	58%	56%	55%

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:

- Expectations regarding costs savings in 2021 and 2022,
- Expectations regarding how costs savings will be reinvested in 2021 and 2022,
- Expectations around financial reporting, customer segments, bookings metric, and growth focus,
- Expectations for recurring revenue growth, organic revenue growth, improvement in adjusted EBITDA margin, value creation through M&A investments and divestitures, and target leverage ratio,
- Expectations on ACI On Demand and total company Rule of 40.

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, replacement of LIBOR benchmark interest rate, 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.

ACI Worldwide

Real-Time Payments