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): May 7, 2020

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.)**
3520 Kraft Rd, Suite 300 Naples, Florida	**34105**
(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 (see General Instruction A.2. below):

☐ 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 May 7, 2020, ACI Worldwide, Inc. ("the Company") issued a press release announcing its financial results for the three months ended March 31, 2020. 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 May 7, 2020
99.2	Investor presentation materials dated May 7, 2020
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: May 7, 2020	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 March 31, 2020

Q1 HIGHLIGHTS

- Revenue of $291 million, up 42% from Q1 last year
- Recurring revenue was 84% of total revenue, up from 80% in Q1 last year
- Adjusted EBITDA of $38 million with net adjusted margin increasing to 19% from 5% in Q1 last year
- Cash flow from operations of $58 million, up 36% from Q1 last year
- Net loss of $24 million was consistent with Q1 last year

NAPLES, FLA — May 7, 2020 — ACI Worldwide (NASDAQ: ACIW), a leading global provider of real-time electronic payment solutions and software, today announced financial results for the quarter ended March 31, 2020.

"I am pleased to report a solid start to the year. While the COVID-19 pandemic had limited impact on our first quarter results, we continue to assess the ongoing impact. Our top priorities are ensuring the health and safety of our employees as well as providing continuous customer support during this challenging time," commented Odilon Almeida, President and CEO, ACI Worldwide. "While there are challenges and uncertainties around the duration and severity of the outbreak, digital payments are more critical than ever, and the long-term growth drivers in our business and industry remain strong. We are fortunate to have ample liquidity and a resilient business model with a large contractual backlog, substantial recurring revenue and a very stable customer base of large banks, financial intermediaries, billers and merchants with a strong presence in eCommerce payments. During this period, we are focused on maximizing profitability and cash while positioning the company to emerge even stronger. Despite any near-term headwinds, I am confident in ACI's ability to serve our customers and the opportunity to create significant shareholder value through growth acceleration in the medium and long-term. We are building a nimble, agile, fit-for-growth structure and a customer-centric global sales process to better position the company for continuous profitable growth. R&D-focused investment on differentiating innovation coupled with strategic M&A will further accelerate the company's growth and value creation for our shareholders."

Q1 2020 FINANCIAL SUMMARY

New bookings in the quarter were $120 million, up 72% compared to Q1 last year.

Revenue in the quarter was $291 million, up 42% compared to Q1 2019, driven primarily by the acquisition of Speedpay. Recurring revenue was 84% of total revenue in Q1 2020, compared to 80% of total revenue in Q1 last year.

Net loss in the quarter of $24 million was consistent with Q1 last year. Adjusted EBITDA in the quarter was $38 million, up 371% compared to Q1 last year.

Revenue from ACI's On Demand segment was $193 million, up 76% from Q1 last year. On Demand segment net adjusted EBITDA margin improved to 22% compared to 0% last year. On Demand segment net adjusted EBITDA margins are adjusted for pass through interchange revenue of $89 million and $45 million, for Q1 2020 and Q1 2019, respectively.

Revenue from ACI's On Premise segment was $99 million, up 3% from Q1 last year. On Premise segment adjusted EBITDA margin was 31% in Q1 2020 versus 29% in Q1 2019.

ACI ended Q1 2020 with a 12-month backlog of $1.1 billion and a 60-month backlog of $5.7 billion.

Cash flows from operating activities in the quarter were $58 million, up 36% from Q1 2019. ACI ended the quarter with $119 million in cash on hand and $270 million available on our credit facility. The company paid down $19 million in debt and repurchased one million shares in the quarter.

GUIDANCE

While a significant portion of our revenues are recurring and we are optimistic about our pipeline of deals, the duration and severity of the outbreak of COVID-19 has caused uncertainty regarding the timing of signing and realizing revenue from new business. As previously announced, we have suspended guidance regarding our financial outlook for the full year 2020. We have taken actions and continue to evaluate additional options to reduce expenses and minimize the impact of COVID-19.

CONFERENCE CALL TO DISCUSS FINANCIAL RESULTS

Management will host a conference call at 8:30 am ET today to discuss these results. Interested persons may access a real-time audio broadcast of the teleconference at http://investor.aciworldwide.com/ or use the following numbers for dial-in participation: US/Canada: (866) 914-7436, international: +1 (817) 385-9117. Please provide your name, the conference name ACI Worldwide, Inc. and conference code 4462434. There will be a replay of the call available for two weeks on (855) 859-2056 for US/Canada callers and +1 (404) 537-3406 for international participants.

About ACI Worldwide

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 6,000 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute $14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

For more information contact:

John Kraft, Vice President, Investor Relations & Strategic Analysis
ACI Worldwide
239-403-4627
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).

ACI is also presenting adjusted operating free cash flow, which is defined as net cash provided by operating activities and net after-tax payments associated with significant transaction-related expenses, less capital expenditures. Adjusted 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 adjusted operating free cash flow as a further indicator of operating performance and for planning investment activities. Adjusted 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 adjusted 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 adjusted 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.

ACI backlog includes estimates for SaaS and PaaS, license, maintenance, and services revenue specified in executed contracts but excluded from contracted revenue that will be recognized in future periods, as well as revenue 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 estimates are derived using the following key assumptions:

- License arrangements are assumed to renew at the end of their committed term or under the renewal option stated in the contract at a rate consistent with historical experience. If the license arrangement includes extended payment terms, the renewal estimate is adjusted for the effects of a significant financing component.

- 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.

- SaaS and PaaS arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.

- 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 several assumptions, as described above. These assumptions may turn out to be inaccurate or wrong for reasons outside of management’s control. For example, our customers may attempt to renegotiate or terminate their contracts for many reasons, including mergers, changes in their financial condition, or general changes in economic conditions (e.g. economic declines resulting from COVID-19) in the customer's industry or geographic location. We may also 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 recognized in future periods. Accordingly, there can be no assurance that amounts included in backlog estimates will generate the specified revenues or that the actual revenues will be generated within the corresponding 60-month period. Additionally, because certain components of Committed Backlog and all of Renewal Backlog estimates are operating metrics, the estimates are not required to be subject to the same level of internal review or controls as contracted but not recognized Committed Backlog.

Backlog estimates should be considered in addition to, rather than as a substitute for, reported revenue and contracted but not recognized revenue (including deferred revenue).

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, statements regarding: (i) the impact of COVID-19 on our results, (ii) the long-term growth drivers in our business and industry, (iii) our liquidity and resilient business model with a large contractual backlog, substantial recurring revenue and a very stable customer base of large banks, financial intermediaries, billers and merchants, (iv) our confidence in ACI's ability to serve our customers and the opportunity to create significant shareholder value through growth acceleration in the medium and long-term, (v) our R&D-focused investment on differentiating innovation coupled with strategic M&A to further accelerate the company's growth, and (vi) our optimism about our pipeline of deals.

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, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands, except share and per share amounts)

	March 31, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 119,124	$ 121,398
Receivables, net of allowances	305,647	359,197
Settlement assets	317,156	391,039
Prepaid expenses	32,047	24,542
Other current assets	32,472	24,200
Total current assets	806,446	920,376
Noncurrent assets		
Accrued receivables, net	198,554	213,041
Property and equipment, net	67,893	70,380
Operating lease right-of-use assets	53,490	57,382
Software, net	225,171	234,517
Goodwill	1,280,226	1,280,525
Intangible assets, net	344,156	356,969
Deferred income taxes, net	63,795	51,611
Other noncurrent assets	70,168	72,733
TOTAL ASSETS	$ 3,109,899	$ 3,257,534
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 32,166	$ 37,010
Settlement liabilities	297,936	368,719
Employee compensation	35,035	29,318
Current portion of long-term debt	34,177	34,148
Deferred revenue	90,660	65,784
Other current liabilities	66,382	76,971
Total current liabilities	556,356	611,950
Noncurrent liabilities		
Deferred revenue	46,104	53,155
Long-term debt	1,321,452	1,339,007
Deferred income taxes, net	31,959	32,053
Operating lease liabilities	43,053	46,766
Other noncurrent liabilities	43,177	44,635
Total liabilities	2,042,101	2,127,566
Commitments and contingencies		
Stockholders' equity		
Preferred stock	—	—
Common stock	702	702
Additional paid-in capital	656,723	667,658
Retained earnings	906,403	930,830
Treasury stock	(398,278)	(377,639)
Accumulated other comprehensive loss	(97,752)	(91,583)
Total stockholders' equity	1,067,798	1,129,968
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,109,899	$ 3,257,534

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

	Three Months Ended March 31,	
	2020	2019
Revenues		
Software as a service and platform as a service	$ 192,950	$ 108,557
License	28,129	21,078
Maintenance	53,280	55,111
Services	17,126	21,109
Total revenues	291,485	205,855
Operating expenses		
Cost of revenue (1)	165,837	114,941
Research and development	39,024	36,194
Selling and marketing	30,083	29,430
General and administrative	35,926	31,517
Depreciation and amortization	31,898	21,866
Total operating expenses	302,768	233,948
Operating loss	(11,283)	(28,093)
Other income (expense)		
Interest expense	(17,171)	(11,614)
Interest income	2,900	3,033
Other, net	(9,758)	(1,912)
Total other income (expense)	(24,029)	(10,493)
Loss before income taxes	(35,312)	(38,586)
Income tax benefit	(10,885)	(12,623)
Net loss	$ (24,427)	$ (25,963)
Loss per common share		
Basic	$ (0.21)	$ (0.22)
Diluted	$ (0.21)	$ (0.22)
Weighted average common shares outstanding		
Basic	116,006	116,090
Diluted	116,006	116,090

(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 March 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	$ (24,427)	$ (25,963)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation	5,825	5,901
Amortization	27,997	18,951
Amortization of operating lease right-of-use assets	3,556	3,383
Amortization of deferred debt issuance costs	1,212	753
Deferred income taxes	(10,413)	(17,414)
Stock-based compensation expense	6,950	6,585
Other	650	574
Changes in operating assets and liabilities, net of impact of acquisitions:		
Receivables	48,699	94,549
Accounts payable	(6,087)	(10,297)
Accrued employee compensation	6,985	(8,598)
Current income taxes	(5,361)	(1,041)
Deferred revenue	22,495	(4,127)
Other current and noncurrent assets and liabilities	(20,581)	(20,829)
Net cash flows from operating activities	57,500	42,427
Cash flows from investing activities:		
Purchases of property and equipment	(3,597)	(5,250)
Purchases of software and distribution rights	(6,541)	(4,578)
Net cash flows from investing activities	(10,138)	(9,828)
Cash flows from financing activities:		
Proceeds from issuance of common stock	947	831
Proceeds from exercises of stock options	400	4,857
Repurchase of stock-based compensation awards for tax withholdings	(10,973)	(2,624)
Repurchases of common stock	(28,881)	(631)
Proceeds from revolving credit facility	30,000	—
Repayment of revolving credit facility	(39,000)	—
Repayment of term portion of credit agreement	(9,737)	(5,937)
Payments on or proceeds from other debt, net	(3,593)	(1,857)
Net cash flows from financing activities	(60,837)	(5,361)
Effect of exchange rate fluctuations on cash	11,201	433
Net increase (decrease) in cash and cash equivalents	(2,274)	27,671
Cash and cash equivalents, beginning of period	121,398	148,502
Cash and cash equivalents, end of period	$ 119,124	$ 176,173

Adjusted EBITDA (millions)	Three Months Ended March 31,	
	2020	2019
Net loss	$ (24.4)	$ (26.0)
Plus:		
Income tax benefit	(10.9)	(12.6)
Net interest expense	14.3	8.6
Net other expense	9.8	1.9
Depreciation expense	5.8	5.9
Amortization expense	28.0	19.0
Non-cash stock-based compensation expense	7.0	6.6
Adjusted EBITDA before significant transaction-related expenses	$ 29.6	$ 3.4
Significant transaction-related expenses	8.5	4.7
Adjusted EBITDA	$ 38.1	$ 8.1

Segment Information (millions)	Three Months Ended March 31,	
	2020	2019
Revenue		
ACI On Demand	$ 193.0	$ 109.9
ACI On Premise	98.5	96.0
Total	$ 291.5	$ 205.9
Segment Adjusted EBITDA		
ACI On Demand	$ 23.1	$ (0.3)
ACI On Premise	$ 30.9	$ 28.3

Reconciliation of Adjusted Operating Free Cash Flow (millions)	Three Months Ended March 31,	
	2020	2019
Net cash flows from operating activities	$ 57.5	$ 42.4
Net after-tax payments associated with significant transaction-related expenses	4.0	2.8
Less: capital expenditures	(10.1)	(9.8)
Adjusted Operating Free Cash Flow	$ 51.4	$ 35.4

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ACI UNIVERSAL PAYMENTS

ACI WORLDWIDE

Q1 2020 QUARTERLY
EARNINGS PRESENTATION

May 7, 2020

ANY PAYMENT,
EVERY POSSIBILI

Private Securities Litigation Reform Act of 1995 Saf Harbor for Forward-Looking Statements

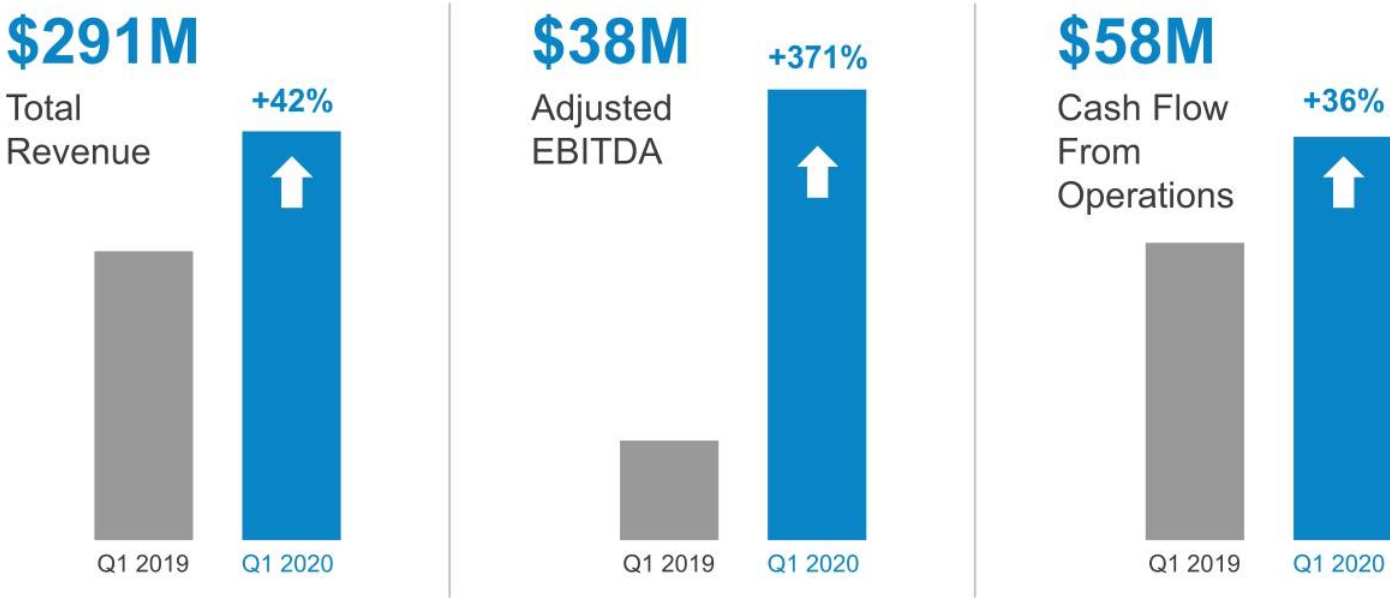
This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. The forward-looking statements are made pursuant to safe harbor provisions of the Privat Securities Litigation Reform Act of 1995. A discussion of these forward-looking statements and risk factors that may affect them is set forth at the en of this presentation. The Company assumes no obligation to update any forward-looking statement in this presentation, except as required by law.

Quarter in Review

Odilon Almeida
President and Chief Executive Officer

ACI UNIVERSAL PAYMENTS.

Solid Q1 Results



Resilient Business Model During the COVID-19 Crisis

- Nearly 75% of annual revenues are recurring
- Large contractual backlog of $5.7 billion
- $119 million in cash and $270 million available on credit fac
- High retention rates
- High quality customer base
- Significant eCommerce presence

Significant Opportunity for Medium and Long-Term Value Creation

Growth Strategy

Drive **organic growth** through a nimble and agile structure, focused on growth, with operational discipline and a strong sales culture

Focus **R&D on differentiating innovation**, such as fast-growing real-time payments

Provide **step-change value creation** through M&A

Financial Review

Scott Behrens
Chief Financial Officer

ACI UNIVERSAL PAYMENTS

Key Takeaways from the Quarter

New Bookings

- New bookings were $120 million, up 72% from Q1 2019

Backlog

- 12-month backlog of $1.1 billion
- 60-month backlog of $5.7 billion

Revenue and Adjusted EBITDA

- Revenue up 42% from Q1 2019
  - ACI On Demand revenue increased 76% from Q1 2019
  - ACI On Premise revenue increased 3% from Q1 2019
- Adjusted EBITDA up 371% from Q1 2019
  - ACI On Demand net adjusted EBITDA margin improved to 22% versus 0% in Q1 2019
  - ACI On Premise adjusted EBITDA margin improved to 31% versus 29% in Q1 2019

Key Takeaways from the Quarter

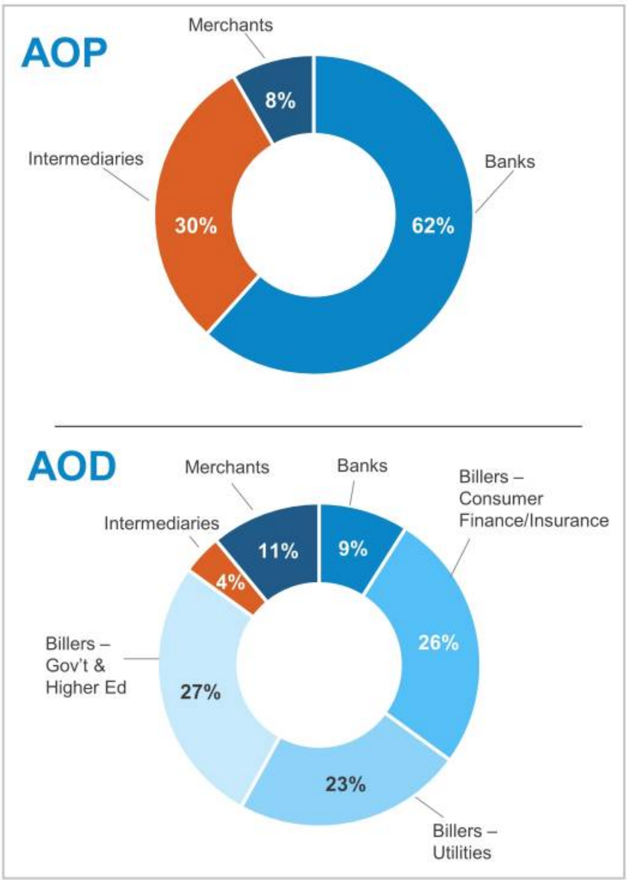
Debt and Liquidity

- Cash flow from operating activities was $58 million, up 36% compared to Q1 2019
- Ended Q1 with $119 million in cash and $270 million of available credit facility
- Paid down $19 million in debt and repurchased one million shares
- Debt balance of $1.4 billion
  - Represents net debt leverage of 3.6x
  - Maximum net debt leverage 4.75x

2020 Guidance

- While a significant portion of our revenues are recurring, the duration and severity of the outbreak of COVID-19 is expected to impact our financial outlook for the full year 2020; therefore, we are suspending full year guidance.
- We have taken actions and continue to evaluate additional options to reduce expenses and minimize the impact of COVID-19.

Resilient Business Model and Customer Mix



ACI On Premise - 46% of revenue*

- Term software subscription model
- No SMBs
- Large global banks and financial intermedia
- Large omni-channel and eCommerce merch

ACI On Demand - 54% of revenue*

- Transaction-based software subscription m
- Limited SMB exposure
- Large global banks
- Large eCommerce merchants and PSPs
- Tier 1 and 2 billers

ACI UNIVERSAL PAYMENTS.

*Represents fiscal year 2019 revenue

Appendix

ACI UNIVERSAL PAYMENTS

Supplemental Financial Data

Bookings by Type (millions)	Three Months Ended March	
	2020	2019
New Account & New Application	$ 65.9	$ 2
Add-on	54.4	4
Term Extensions	154.3	4
Total Bookings	**$ 274.6**	**$ 11**

Backlog 60-Month (millions)	Three Months Ended	
	March 31, 2020	December 2019
ACI On Demand	$ 3,781	$ 3,8
ACI On Premise	1,933	1,9
Backlog 60-Month	**$ 5,714**	**$ 5,8**

Recurring Revenue (millions)	Three Months Ended March	
	2020	2019
SaaS and PaaS fees	$ 193.0	$ 10
Maintenance fees	53.3	5
Recurring Revenue	**$ 246.3**	**$ 16**

ACI UNIVERSAL PAYMENTS.

Supplemental Financial Data

Adjusted EBITDA (millions)	Three Months Ended March			
		2020		2019
Net loss	$	(24.4)	$	(2
Plus:				
Income tax benefit		(10.9)		(1
Net interest expense		14.3		
Net other expense		9.8		
Depreciation expense		5.8		
Amortization expense		28.0		1
Non-cash stock-based compensation expense		7.0		
Adjusted EBITDA before significant transaction-related expenses	**$**	**29.6**	**$**	
Significant transaction-related expenses		8.5		
Adjusted EBITDA	**$**	**38.1**	**$**	

Segment Information (millions)	Three Months Ended March			
		2020		2019
Revenue				
ACI On Demand	$	193.0	$	10
ACI On Premise		98.5		9
Total Revenue	**$**	**291.5**	**$**	**20**
Segment Adjusted EBITDA				
ACI On Demand	$	23.1	$	(
ACI On Premise	$	30.9	$	2

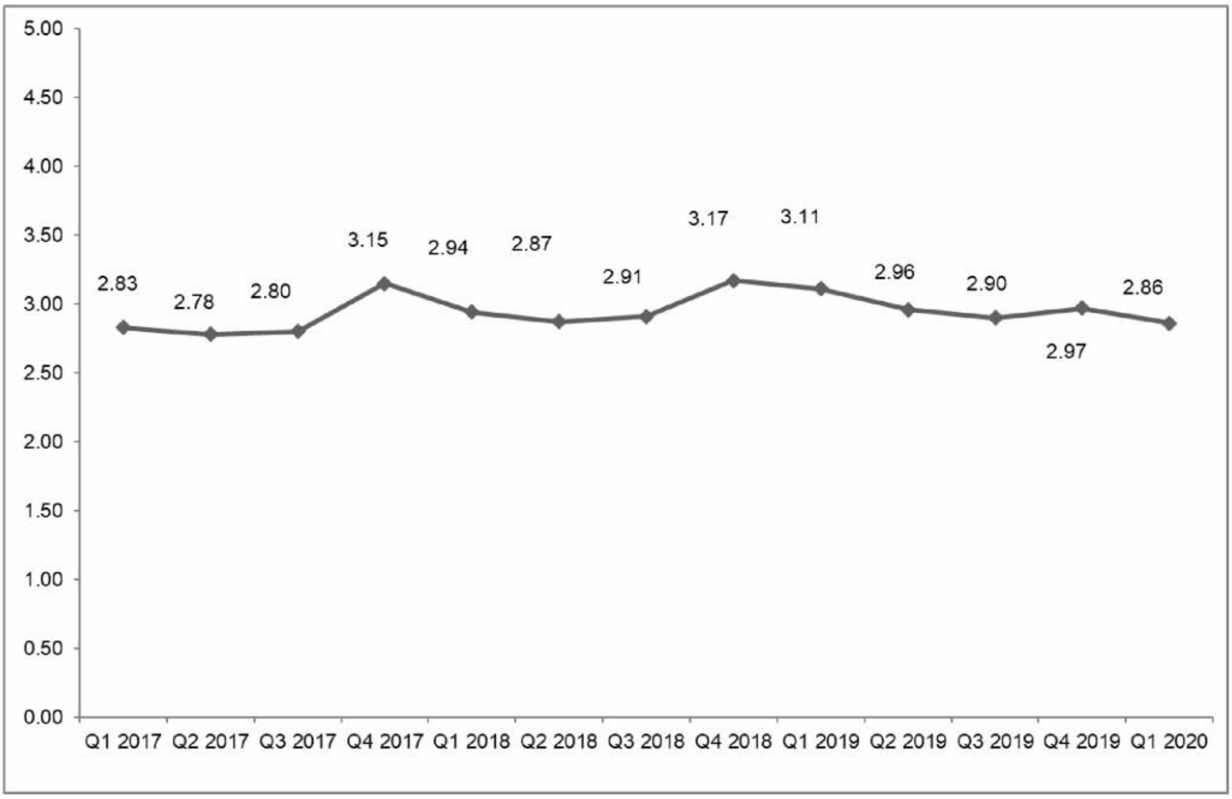
Supplemental Financial Data

EPS impact of non-cash and significant transaction-related items (millions)	Three Months Ended March 31,							
	2020				2019			
	EPS Impact		$ in Millions (Net of Tax)		EPS Impact		$ in Million (Net of Tax	
GAAP net loss	$	(0.21)	$	(24.4)	$	(0.22)	$	(26
Adjusted for:								
Significant transaction-related expenses		0.06		6.8		0.03		3
Amortization of acquisition-related intangibles		0.06		7.1		0.04		4
Amortization of acquisition-related software		0.07		8.0		0.05		5
Non-cash stock-based compensation		0.05		5.3		0.04		5
Total adjustments	**$**	**0.24**	**$**	**27.2**	**$**	**0.16**	**$**	**18**
Diluted EPS adjusted for non-cash and significant transaction-related items	**$**	**0.03**	**$**	**2.8**	**$**	**(0.06)**	**$**	**(7**

Reconciliation of Adjusted Operating Free Cash Flow (millions)	Three Months Ended March			
	2020		2019	
Net cash flows from operating activities	$	57.5	$	42
Net after-tax payments associated with significant transaction-related expenses		4.0		2
Less: capital expenditures		(10.1)		(9
Adjusted Operating Free Cash Flow	**$**	**51.4**	**$**	**35**

ACI UNIVERSAL PAYMENTS.

Contract Duration Metric



- Represents dollar average remaining contract life (in years) for term license software contracts
- Excludes perpetual contracts (primarily acquired software contracts)
- Excludes all On Demand contracts as both cash and revenue are ratable over the contract term

Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables exclude significant transaction related expenses, as well as other significant non-cash expenses such as depre amortization, and non-cash compensation, that we believe are helpful in understanding our past financial performance a future results. The presentation of these non-GAAP financial measures should be considered in addition to our GAAP and are not intended to be considered in isolation or as a substitute for the financial information prepared and prese accordance with GAAP. Management generally compensates for limitations in the use of non-GAAP financial measu relying on comparable GAAP financial measures and providing investors with a reconciliation of non-GAAP financial me only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP fi measures reflect an additional way to view aspects of our operations that, when viewed with our GAAP results, provide 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 (expense), depreciation, amortization, and non-cash compensation, as well as significant transaction related exp 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 Adjusted EBITDA Margin should be considered in addition to, rather than as a substitute for, net income (loss).

ACI is also presenting adjusted operating free cash flow, which is defined as net cash provided by operating activities, p after-tax payments associated with significant transaction-related expenses, and less capital expenditures. Adjusted op free cash flow is considered a non-GAAP financial measure as defined by SEC Regulation G. We utilize this non financial measure, and believe it is useful to investors, as an indicator of cash flow available for debt repayment an investing activities, such as capital investments and acquisitions. We utilize adjusted operating free cash flow as a indicator of operating performance and for planning investing activities. Adjusted operating free cash flow should be con in addition to, rather than as a substitute for, net cash provided by operating activities. A limitation of adjusted operati cash flow is that it does not represent the total increase or decrease in the cash balance for the period. This measure als not exclude mandatory debt service obligations and, therefore, does not represent the residual cash flow availa discretionary expenditures. We believe that adjusted operating free cash flow is useful to investors to provide disclosures operating results on the same basis as that used by our management.

Non-GAAP Financial Measures

ACI also includes backlog estimates, which include all license, maintenance, and services revenue (including SaaS and PaaS) sp executed contracts, as well as revenues from assumed contract renewals to the extent that we believe recognition of the relatec will occur within the corresponding backlog period. We have historically included assumed renewals in backlog estimates ba 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 r expected revenues from existing customers using the following key assumptions:

- License arrangements are assumed to renew at the end of their committed term or under the renewal option stated in the contra rate consistent with historical experience. If the license arrangement includes extended payment terms, the renewal estimate is for the effects of a significant financing component.
- Maintenance fees are assumed to exist for the duration of the license term for those contracts in which the committed maintenar is less than the committed license term.
- SaaS and PaaS arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.
- Foreign currency exchange rates are assumed to remain constant over the 60-month backlog period for those contracts stated i 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 several assumptions, as described abov assumptions may turn out to be inaccurate or wrong for reasons outside of management's control. For example, our customers ma to renegotiate or terminate their contracts for many reasons, including mergers, changes in their financial condition, or general cl economic conditions (e.g. economic declines resulting from COVID-19) in the customer's industry or geographic location. We experience delays in the development or delivery of products or services specified in customer contracts, which may cause t renewal rates and amounts to differ from historical experiences. Changes in foreign currency exchange rates may also impact th of revenue recognized in future periods. Accordingly, there can be no assurance that amounts included in backlog estimates will the specified revenues or that the actual revenues will be generated within the corresponding 60-month period. Additionally, certain components of Committed Backlog and all of Renewal Backlog estimates are operating metrics, the estimates are not requ subject to the same level of internal review or controls as contracted but not recognized Committed Backlog.

Forward-Looking Statements

This presentation contains forward-looking statements based on current expectations that involve a number of risk uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include or phrases such as "believes," "will," "expects," "anticipates," "intends," and words and phrases of similar impact. The for 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 resilient bus model, including high retention rates, large contractual backlog, liquidity, retention rates, high quality customer bas significant e-commerce presence.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings wi Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, the success Universal Payments strategy, demand for our products, consolidations and failures in the financial services industry, cus reluctance to switch to a new vendor, failure to obtain renewals of customer contracts or to obtain such renewals on fav terms, delay or cancellation of customer projects or inaccurate project completion estimates, the complexity of our pro and services and the risk that they may contain hidden defects or be subjected to security breaches or viruses, complia our products with applicable legislation, governmental regulations and industry standards, our compliance with p regulations, our ability to protect customer information from security breaches or attacks, our ability to adequately defe intellectual property, exposure to credit or operating risks arising from certain payment funding methods, bus interruptions or failure of our information technology and communication systems, our offshore software develo activities, risks from operating internationally, including fluctuations in currency exchange rates, exposure to unknow liabilities, adverse changes in the global economy, worldwide events outside of our control, failure to attract and reta personnel, litigation, future acquisitions, strategic partnerships and investments, integration of and achieving benefits fro Speedpay acquisition, impairment of our goodwill or intangible assets, restrictions and other financial covenants in ou agreements, our existing levels of debt, replacement of LIBOR benchmark interest rate, the accuracy of manage backlog estimates, exposure to unknown tax liabilities, the cyclical nature of our revenue and earnings and the accur forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, volatility in our price, and the COVID-19 pandemic. For a detailed discussion of these risk factors, parties that are relying on the for looking statements should review our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

ACI UNIVERSAL PAYMENTS