



**Quarterly and Year-End Results
December 31, 2014**

**ACI Worldwide
February 26, 2015**

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.



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ANNUAL OVERVIEW

Phil Heasley
Chief Executive Officer

2014 in Review

- SNET bookings up 17%
- Strong market interest in Universal Payments
- Better-than-expected demand for new applications and hosted solutions
- Large UP contracts in pipeline progressing
- Completed acquisition of Retail Decisions (ReD)
- Non-GAAP Revenue up 17%
- Adjusted EBITDA up 9%
- Repurchased 3.6 million shares
- Providing 2015 guidance



FINANCIAL REVIEW

Scott Behrens
Chief Financial Officer

Key Takeaways from the Quarter

- Sales Bookings
 - Q4 SNET up 10%
- Backlog
 - 60-month backlog of \$4.2 billion, up \$79 million from Q3 2014, after adjusting for foreign currency fluctuations
 - 12-month backlog of \$903 million, up \$13 million from Q3 2014, after adjusting for foreign currency fluctuations
- Revenue Growth
 - Non-GAAP revenue was \$291 million, up \$6 million from Q4 last year
 - Recurring revenue grew 16% to \$203 million, representing 70% of total revenue, and offset a decline in non-recurring revenue
- Adjusted EBITDA
 - Adjusted EBITDA of \$107 million declined 9% from Q4 last year
- Operating Free Cash Flow
 - Operating free cash flow of \$72 million increased 16% from \$62 million in Q4 last year
- Debt and Liquidity
 - Ended the year with \$77 million in cash and \$892 million in debt

Key Takeaways from the Year

- Sales Bookings
 - 2014 new sales bookings up 17%, or 10% excluding Official Payments and ReD
 - Total sales bookings exceed \$1 billion
 - Hosted bookings growth up 61% over last year
 - Impacts timing of revenue recognition
- Revenue Growth
 - Non-GAAP revenue growth of 17%, down 2% organically
 - Continuing trend of higher recurring revenues offset by decline in non-recurring revenues as we transition to a higher hosted mix
 - SaaS subscription and transaction revenues up 59% over prior year representing 41% of total revenue
- Strong Adjusted EBITDA
 - Adjusted EBITDA of \$261 million, up 9% from 2013
- Operating Free Cash Flow
 - Operating free cash flow of \$134 million decreased from \$151 million last year
- Share Repurchase Activity
 - Repurchased ~ 3.6 million shares in 2014
 - \$138 million remaining on share buy-back authorization

2015 Guidance

Key Metrics	2014	Incremental	FX	2014	2015 Non-GAAP	
	Actual	ReD Impact	Impact*	Pro Forma	Guidance	
					Low	High
Non-GAAP Revenue	1,018	28	(23)	1,023	1,050	1,080
Adjusted EBITDA	261	6	-	267	280	290

\$s in millions, foreign currency rates as of 12/31/14

- **Guidance**

- 2014 Pro forma adjusted to reflect full year impact of ReD acquisition and fx rate changes
- Sales, net of term extensions, growth in the high single digits
- Revenue and margin phasing by quarter consistent with seasonal history
- Q1 non-GAAP revenue expected to represent \$225 to \$235 million

- **Other Guidance Assumptions:**

- Interest expense of \$42 million and cash interest of \$36 million
- Capital expenditures to be \$40-\$50 million
- Depreciation and amortization expected to approximate \$95-\$100 million
- Non-cash compensation expense of approximately \$20 million
- Pass through interchange revenues to approximate \$115 million
- GAAP tax rate of 35% and cash taxes paid of \$25-\$30 million
- Diluted share count to approximate 117 million (excluding future share buy-back activity)
- These metrics exclude approximately \$8-\$10 million in significant transaction-related expenses for datacenter and facilities consolidation and bill payment platform rationalization





APPENDIX

Monthly Recurring Revenue

Monthly Recurring Revenue (millions)	Quarter Ended	
	December 31,	
	2014	2013
Monthly Software license fees	\$22.9	\$23.4
Maintenance fees	67.4	60.3
Processing services	112.6	91.9
Monthly Recurring Revenue	\$202.8	\$175.6

Historic Sales Bookings By Quarter 2012-2014

Quarter-End	Total Economic Value of Sales	Sales Mix by Category		
		New Accounts / New Applications	Add-on Business inc. Capacity Upgrades & Services	Term Extension
12/31/2012	\$309,143	\$52,206 12%	\$145,917 53%	\$111,020 34%
3/31/2013	\$111,588	\$5,778 5%	\$70,736 63%	\$35,074 31%
6/30/2013	\$180,107	\$33,717 19%	\$95,461 53%	\$50,929 28%
9/30/2013	\$211,827	\$42,345 20%	\$105,609 50%	\$63,874 30%
12/31/2013	\$384,322	\$45,846 12%	\$200,748 52%	\$137,729 36%
3/31/2014	\$170,212	\$36,928 22%	\$84,974 50%	\$48,311 28%
6/30/2014	\$234,346	\$44,321 19%	\$106,056 45%	\$83,969 36%
9/30/2014	\$250,802	\$63,396 25%	\$94,071 38%	\$93,336 37%
12/31/2014	\$391,120	\$99,972 26%	\$172,387 44%	\$118,761 30%

	Sales	New Accounts / New Applications	Add-on Business inc. Capacity Upgrades & Services	Term Extension
DEC YTD 14	\$1,046,479	\$244,616	\$457,487	\$344,377
DEC YTD 13	\$887,844	\$127,685	\$472,553	\$287,606
Variance	\$158,635	\$116,930	(\$15,066)	\$56,771

Sales Bookings, Net of Term Extensions (SNET)

Sales Net of Term Extensions			
Channel	Qtr Ended Dec 14	Qtr Ended Dec 13	% Growth or Decline
Americas	\$144,422	\$117,011	23.4%
EMEA	105,631	104,408	1.2%
Asia-Pacific	22,306	25,175	-11.4%
Total Sales (Net of Term Ext.)	\$272,358	\$246,594	10.4%

Non-GAAP Operating Income

Non-GAAP Operating Income (millions)	Quarter Ended December 31,	
	2014	2013
Operating income	\$79.3	\$86.0
Plus:		
Deferred revenue fair value adjustment	0.3	0.9
Employee related actions	3.4	1.2
Facility closure costs	-	1.2
Significant transaction related expenses	2.9	4.5
Non-GAAP Operating Income	\$ 85.9	\$ 93.8

Non-GAAP Operating Income (millions)	Year Ended December 31,	
	2014	2013
Operating income	\$138.2	\$123.0
Plus:		
Deferred revenue fair value adjustment	1.8	5.8
Employee related actions	10.4	10.7
Facility closure costs	-	2.2
Significant transaction related expenses	12.5	13.2
Non-GAAP Operating Income	\$ 162.9	\$ 154.9



Adjusted EBITDA

Adjusted EBITDA (millions)	Quarter Ended December 31,	
	2014	2013
Net income	\$46.4	\$50.4
Plus:		
Income tax expense	23.3	24.1
Net interest expense	10.7	9.7
Net other expense (income)	(1.1)	1.8
Depreciation expense	5.4	5.2
Amortization expense	18.0	15.0
Non-cash compensation expense	(2.7)	2.5
Adjusted EBITDA	\$100.0	\$108.7
Deferred revenue fair value adjustment	0.3	0.9
Employee related actions	3.4	1.2
Facility closure costs	-	1.2
Significant transaction related expenses	2.9	4.5
Adjusted EBITDA excluding significant transaction related expenses	\$ 106.6	\$ 116.5

Adjusted EBITDA (millions)	Year Ended December 31,	
	2014	2013
Net income	\$67.6	\$63.9
Plus:		
Income tax expense	31.2	29.3
Net interest expense	39.2	26.6
Net other expense (income)	0.2	3.3
Depreciation expense	20.5	18.8
Amortization expense	66.2	51.2
Non-cash compensation expense	11.0	13.6
Adjusted EBITDA	\$235.9	\$206.7
Deferred revenue fair value adjustment	1.8	5.8
Employee related actions	10.4	10.7
Facility closure costs	-	2.2
Significant transaction related expenses	12.5	13.2
Adjusted EBITDA excluding one-time transaction expenses	\$ 260.6	\$ 238.6



Operating Free Cash Flow

Reconciliation of Operating Free Cash Flow (millions)	Quarter Ended December 31,	
	2014	2013
Net cash provided by operating activities	\$77.0	\$51.9
Payments associated with cash settlement of acquisition related options	-	10.2
Payments associated with acquired opening balance sheet liabilities	0.2	4.5
Net after-tax payments associated with employee-related actions	1.5	1.8
Net after-tax payments associated with lease terminations	-	0.4
Net after-tax payments associated with significant transaction related expenses	1.8	6.9
Less capital expenditures	(8.9)	(14.2)
Operating Free Cash Flow	\$71.6	\$61.5
Reconciliation of Operating Free Cash Flow (millions)	Year Ended December 31,	
	2014	2013
Net cash provided by operating activities	\$149.0	\$138.4
Payments associated with cash settlement of acquisition related options	-	10.2
Payments associated with acquired opening balance sheet liabilities	4.8	4.5
Net after-tax payments associated with employee-related actions	6.3	9.7
Net after-tax payments associated with lease terminations	1.0	1.0
Net after-tax payments associated with significant transaction related expenses	8.1	18.1
Net after-tax payments associated with IBM IT Outsourcing Transition	-	1.9
Less capital expenditures	(34.9)	(32.5)
Operating Free Cash Flow	\$134.3	\$151.3

* Tax effected at 35%



MEETS THE CHALLENGE OF CHANGE



60-Month Backlog

Backlog 60-Month (millions)	Quarter Ended	
	December 31, 2014	December 31, 2013
Americas	\$3,014	\$2,831
EMEA	855	747
Asia/Pacific	291	283
Backlog 60-Month	\$4,160	\$3,861
Deferred Revenue	\$181	\$168
Other	3,979	3,693
Backlog 60-Month	\$4,160	\$3,861



Backlog as a Contributor of Quarterly Revenue

Backlog as Contributor of Revenue (thousands)	Quarter Ended December 31,		% Growth
	2014	2013	
Revenue from Backlog	\$ 268,586	\$ 268,845	-0.1%
Revenue from Sales	21,638	14,317	51.1%
Total Revenue	\$ 290,224	\$ 283,162	2.5%
Revenue from Backlog	93%	95%	
Revenue from Sales	7%	5%	

- Backlog from monthly recurring revenues and project go-lives continues to drive current quarter GAAP revenue
- Revenue from current quarter sales consistent with prior quarters

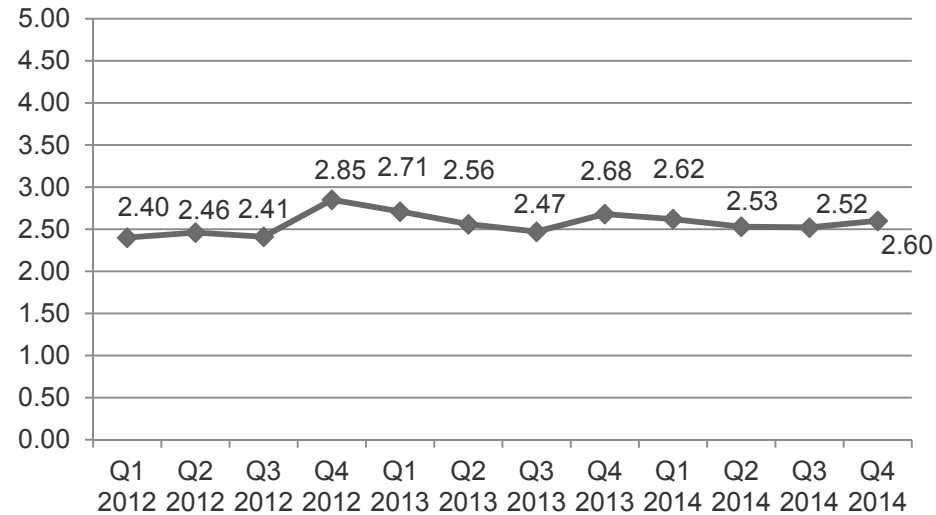
Non-Cash Compensation, Acquisition Intangibles and Software, and Significant Transaction Related Expenses

Acquisition Intangibles & Software, Non-cash equity based compensation (millions)	Quarter Ended			
	December 31,			
	2014		2013	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
Significant transaction related expenses	\$ 0.04	\$ 4.1	\$ 0.04	\$ 4.5
Deferred revenue fair value adjustment	0.00	0.2	0.01	0.6
Amortization of acquisition-related intangibles	0.04	4.1	0.03	3.4
Amortization of acquisition-related software	0.04	4.1	0.03	3.0
Non-cash equity-based compensation	(0.02)	(1.8)	0.01	1.6
Total	\$ 0.09	\$ 10.7	\$ 0.11	\$ 13.1
* Tax Effected at 35%				
Acquisition Intangibles & Software, Non-cash equity based compensation (millions)	YTD			
	December 31,			
	2014		2013	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
Significant transaction related expenses	\$ 0.13	\$ 14.9	\$ 0.14	\$ 16.9
Deferred revenue fair value adjustment	0.01	1.2	0.03	3.8
Amortization of acquisition-related intangibles	0.14	16.0	0.10	12.1
Amortization of acquisition-related software	0.12	14.5	0.09	10.9
Non-cash equity-based compensation	0.06	7.2	0.07	8.9
Total	\$ 0.46	\$ 53.8	\$ 0.43	\$ 52.6
* Tax Effected at 35%				

All references to per share amounts have been retroactively adjusted to reflect the July 10, 2014 three-for-one stock split for all periods presented.



Contract Duration Metric



- Represents dollar average remaining contract life (in years) for term license software contracts
- Excludes perpetual contracts (primarily heritage S1 licensed software contracts)
- Excludes all hosted 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 measure indicated in the tables, which exclude certain business combination accounting entries related to the acquisitions of Online Resources and S1 and significant transaction related expenses, as well as other significant non-cash expenses such as depreciation, amortization and share-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 of viewing 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:

- Non-GAAP revenue: revenue plus deferred revenue that would have been recognized in the normal course of business by S1 and Online Resources if not for GAAP purchase accounting requirements. Non-GAAP revenue should be considered in addition to, rather than as a substitute for, revenue.
- Non-GAAP operating income: operating income plus deferred revenue that would have been recognized in the normal course of business by S1 and Online Resources if not for GAAP purchase accounting requirements and significant transaction related expenses. Non-GAAP operating income should be considered in addition to, rather than as a substitute for, operating income.
- Adjusted EBITDA: net income plus income tax expense, net interest income (expense), net other income (expense), depreciation, amortization and non-cash compensation, as well as deferred revenue that would have been recognized in the normal course of business by S1 and Online Resources if not for GAAP purchase accounting requirements and significant transaction related expenses. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, operating income.

Non-GAAP Financial Measures

ACI is also presenting operating free cash flow, which is defined as net cash provided by operating activities, plus payments associated with cash settlement of acquisition related options and opening balance sheet liabilities, net after-tax payments associated with employee-related actions and facility closures, net after-tax payments associated with significant transaction related expenses, payments associated with acquired opening balance sheet liabilities, and less capital expenditures. 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 operating free cash flow as a further indicator of operating performance and for planning investing activities. 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 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 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 also includes backlog estimates, which include all software license fees, maintenance fees and services specified in executed contracts, as well as revenues 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.

Non-GAAP Financial Measures

Backlog is considered a non-GAAP financial measure as defined by SEC Regulation G. Our 60-month backlog estimate represents expected revenues from existing customers using the following key assumptions:

- 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.
- License, facilities management, and software hosting arrangements are assumed to renew at the end of their committed term at a rate consistent with our historical experiences.
- Non-recurring license arrangements are assumed to renew as recurring revenue streams.
- 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 are inherently unreliable. Our backlog estimates require substantial judgment and are based on a number of assumptions as described above. These assumptions may turn out to be inaccurate or wrong, including for reasons outside of management's control. For example, our customers may attempt to renegotiate or terminate their contracts for a number of reasons, including mergers, changes in their financial condition, or general changes in economic conditions in the customer's industry or geographic location, or we may 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 actually recognized in future periods. Accordingly, there can be no assurance that contracts included in backlog estimates will actually generate the specified revenues or that the actual revenues will be generated within the corresponding 60-month period.

Backlog should be considered in addition to, rather than as a substitute for, reported revenue and deferred 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:

- Strong market interest in Universal Payments;
- Better-than-expected demand for new applications and hosted solutions;
- Large UP contracts in pipeline progressing;
- Expectations regarding 2015 financial guidance related to non-GAAP revenue, adjusted EBITDA,
- Expectations regarding Q1 2015 non-GAAP revenue; and
- Expectations regarding full year SNET and other guidance assumptions

Forward-Looking Statements

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 performance of our strategic product, UP, BASE24-eps, demand for our products, restrictions and other financial covenants in our credit facility, consolidations and failures in the financial services industry, customer reluctance to switch to a new vendor, the accuracy of management's backlog estimates, the maturity of certain products, our strategy to migrate customers to our next generation products, ratable or deferred recognition of certain revenue associated with customer migrations and the maturity of certain of 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, volatility and disruption of the capital and credit markets and adverse changes in the global economy, our existing levels of debt, impairment of our goodwill or intangible assets, litigation, future acquisitions, strategic partnerships and investments, risks related to the expected benefits to be achieved in the transaction with Online Resources, OPAY and ReD, 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, the protection of our intellectual property in intellectual property litigation, 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, 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, and volatility in our stock price. 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, Registration Statement on Form S-4, and subsequent reports on Forms 10-Q and 8-K.



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