

**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): February 24, 2022

Commission File Number 0-25346

ACI WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	47-0772104 (I.R.S. Employer Identification No.)
2811 Ponce de Leon Blvd PH1 Coral Gables, Florida (Address of Principal Executive Offices)	33134 (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:

- 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 February 24, 2022, ACI Worldwide, Inc. (“the Company”) issued a press release announcing its financial results for the three months and year ended December 31, 2021. A copy of this press release is attached hereto as Exhibit 99.1. Following the publication of the earnings release, the Company hosted an earnings call in which its financial results were discussed. The investor presentation materials used for the call are attached as Exhibit 99.2 hereto.

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 February 24, 2022
99.2	Investor presentation materials dated February 24, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)



ACI Worldwide, Inc. Reports Financial Results for the Quarter and Full Year Ended December 31, 2021

2021 HIGHLIGHTS

Revenue of \$1.371 billion, up 6% from 2020

Net income of \$128 million, up 76% from 2020

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

Net adjusted EBITDA margin improved to 38% from 37% in 2020

Repurchased 3 million shares and increased repurchase authorization

Miami, FL — February 24, 2022 — ACI Worldwide (NASDAQ: ACIW), the global leader in mission-critical, real-time payments software, announced financial results today for the quarter and full-year ended December 31, 2021.

"2021 was a transformational year for ACI. By achieving the highest organic revenue growth in almost a decade and continuing to expand our margin, we exceeded the Rule of 40 for the first year ever," said Odilon Almeida, president and CEO of ACI Worldwide.

"2022 will be an inflection point for ACI. Our focus will be on cementing the foundation for accelerating growth in the coming years. Our strong cash flow generation and solid balance sheet give us significant financial flexibility to make investments to support short and long-term growth while continuing our share buy-back program."

FINANCIAL SUMMARY

In Q4 2021, revenue was \$467 million, up 21% from Q4 2020. Net income was \$109 million, up 63% from Q4 2020. Adjusted EBITDA in Q4 2021 was \$205 million, up 31% from Q4 2020. Net adjusted EBITDA margin in Q4 2021 was 54% compared to 51% in Q4 2020.

Full-year 2021 total revenue was \$1.371 billion, up 6% from 2020, or 5% on a constant currency basis, the highest organic growth in many years. Net income of \$128 million, increased 76% compared to \$73 million in 2020. Total adjusted EBITDA in 2021 was \$384 million compared to \$359 million in 2020. Net adjusted EBITDA margin was 38% in 2021, compared to 37% in 2020.

- Bank segment revenue increased 12% and Bank segment adjusted EBITDA increased 13%, versus 2020.
- Merchant segment revenue increased 2% and Merchant segment recurring revenue increased 8%. Merchant segment adjusted EBITDA increased 2%, versus 2020.
- Biller segment revenue increased 1%, and the Biller segment adjusted EBITDA decreased 5%, versus 2020.

ACI ended 2021 with \$122 million in cash on hand and a debt balance of \$1 billion, which represents a net debt leverage ratio of 2.5x. The company paid down \$94 million of debt and repurchased 3 million shares for \$107 million during the year. The company has repurchased more than 800 thousand shares for \$27 million so far in 2022 and has approximately \$190 million remaining on its share repurchase authorization.

2022 GUIDANCE

For the full year of 2022, we expect revenue growth to be in the mid-single-digits on a constant currency basis, or in the range of \$1.415 billion to \$1.435 billion. We expect adjusted EBITDA to be in a range of \$400 million to \$415 million with net adjusted EBITDA margin expansion. We expect revenue to be between \$310 million to \$330 million and adjusted EBITDA of \$60 million to \$80 million in Q1 2022. This excludes one-time charges to move our European data centers to the public cloud.

THREE-PILLAR STRATEGY UPDATE

1. *Fit-for-growth*

ACI's Fit for Growth pillar focuses on streamlining its structure and sharpening its go-to-market strategy and execution. The result of these efforts is a more agile and accountable organization – all factors contributing to ACI's momentum today.

As a part of this focus, a 'local boots on the ground' approach across international markets has increased ACI's ability to seize commercial opportunities ahead of the competition, meet different local demands with agility and global scale, and accelerate innovation cycles.

2. *Focused-on-growth*

ACI has four investment areas as a part of its Focused on Growth pillar, which includes **Real-time payments, Sophisticated global merchants, International markets, and the Next Generation Real-time Payments Platform.**

Real-Time Payments

ACI continues to invest in its low and high-value real-time solutions. By 2026, more than 25 percent of global digital payments are expected to be through real-time payments.

Sophisticated Global Merchants

ACI's expansion of innovative omni-and eCommerce solutions has led to increased offerings and the signing of large, sophisticated merchants and merchant intermediaries worldwide. Last week, ACI launched an innovative global Buy Now Pay Later solution, enabling access to more than 70 BNPL lenders via a single integration. The innovative user interface—ACI PayAfter—enhances acceptance rates and serves a broader base of credit-worthy customers, boosting merchant sales worldwide.

International Markets

ACI continues to increase its presence across international growth markets with an unrelenting focus on improving its sales pipeline. Latin America, the Middle East, Africa, Asia, and South Pacific are core to this expansion.

Next-Generation Real-Time Payments Platform

ACI is creating the next-generation real-time payments platform that will lead the future of payments for the entire financial ecosystem for decades to come. It will cement the company's global leadership in real-time payments, enable a revolution in payment connectivity and modernize the global payments value chain for leading corporations, fintechs, and financial disruptors.

3. Step-change value creation

ACI's step-change value creation through M&A remains a priority. The company spends significant time reviewing its business portfolio and M&A opportunities to maximize short-and long-term value creation for its shareholders. We continue to evaluate investments and divestiture opportunities across the spectrum.

CONFERENCE CALL TO DISCUSS FINANCIAL RESULTS

Today, management will host a conference call at 8:30 am ET 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 company name ACI Worldwide, Inc. and conference code 5592509. A call replay will be 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 is a global leader in mission-critical, real-time payments software. Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with a local presence to drive the real-time digital transformation of payments and commerce.

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ACI, ACI Worldwide, ACI Payments, Inc., ACI Pay, Speedpay and all ACI product/solution names are trademarks or registered trademarks of ACI Worldwide, Inc., or one of its subsidiaries, in the United States, other countries or both. Other parties' trademarks referenced are the property of their respective owners.

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Investor Relations:

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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).
- Diluted EPS adjusted for non-cash and significant transaction related items: diluted EPS plus tax effected significant transaction related items, amortization of acquired intangibles and software, and non-cash stock-based compensation. Diluted EPS adjusted for non-cash and significant transaction related items should be considered in addition to, rather than as a substitute for, diluted EPS.
- Recurring revenue: revenue from software as a service and platform as a service fees and maintenance fees. Recurring revenue should be considered in addition to, rather than as a substitute for, total revenue.

FORWARD-LOOKING STATEMENTS

This 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: (i) expectations that 2022 will be an inflection point for ACI, (ii) expectations that our strong cash flow generation and solid balance sheet give us significant financial flexibility to make investments to support short and long-term growth while continuing our share buy-back program, (iii) expectations regarding full year 2022 revenue, adjusted EBITDA, net adjusted EBITDA margin, and Q1 2022 revenue and adjusted EBITDA, (iv) expectations that ACI's Fit for Growth strategy will result in a more agile and accountable organization and that our 'local boots on the ground' approach across international markets has increased ACI's ability to seize commercial opportunities ahead of the competition, meet different local demands with agility and global scale, and accelerate innovation cycles, (v) expectations that by 2026, more than 25% of global digital payments are expected to be through real-time payments, and (vi) expectations that ACI's creation of the next-generation real-time payments platform will lead the future of payments for the entire financial ecosystem for decades to come, and that it will cement the company's global leadership in real-time payments, enable a revolution in payment connectivity and modernize the global payments value chain for leading corporations, fintechs, and financial disruptors.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, business interruptions or failure of our information technology and communication systems, security breaches or viruses, our ability to attract and retain senior management personnel and skilled technical employees, future acquisitions, strategic partnerships and investments, implementation and success of our Three Pillar strategy, impact if we convert some or all on-premise licenses from fixed-term to subscription model, anti-takeover provisions, exposure to credit or operating risks arising from certain payment funding methods, customer reluctance to switch to a new vendor, our ability to adequately defend our intellectual property, litigation, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, adverse changes in the global economy, compliance of our products with applicable legislation, governmental regulations and industry standards, the complexity of our products and services and the risk that they may contain hidden defects, complex regulations applicable to our payments business, our compliance with privacy regulations, our involvement in investigations, lawsuits and other expense and time-consuming legal proceedings, exposure to unknown tax liabilities, consolidations and failures in the financial services industry, volatility in our stock price, demand for our products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, impairment of our goodwill or intangible assets, the accuracy of management's backlog estimates, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, restrictions and other financial covenants in our debt agreements, our existing levels of debt, potential adverse effects from the impending replacement of LIBOR, the COVID-19 pandemic, and events outside of our control including natural disasters, wars, and outbreaks of disease. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

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

	December 31,	
	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 122,059	\$ 165,374
Receivables, net of allowances	320,405	342,879
Settlement assets	452,396	605,008
Prepaid expenses	24,698	24,288
Other current assets	17,876	17,365
Total current assets	937,434	1,154,914
Noncurrent assets		
Accrued receivables, net	276,164	215,772
Property and equipment, net	63,050	64,734
Operating lease right-of-use assets	47,825	41,243
Software, net	157,782	196,456
Goodwill	1,280,226	1,280,226
Intangible assets, net	283,004	321,983
Deferred income taxes, net	50,778	57,476
Other noncurrent assets	62,478	54,099
TOTAL ASSETS	\$ 3,158,741	\$ 3,386,903
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 41,312	\$ 41,223
Settlement liabilities	451,575	604,096
Employee compensation	51,379	48,560
Current portion of long-term debt	45,870	34,265
Deferred revenue	84,425	95,849
Other current liabilities	79,594	81,612
Total current liabilities	754,155	905,605
Noncurrent liabilities		
Deferred revenue	25,925	33,564
Long-term debt	1,019,872	1,120,742
Deferred income taxes, net	36,122	40,504
Operating lease liabilities	43,346	39,958
Other noncurrent liabilities	34,544	39,933
Total liabilities	1,913,964	2,180,306
Stockholders' equity		
Preferred stock	—	—
Common stock	702	702
Additional paid-in capital	688,313	682,431
Retained earnings	1,131,281	1,003,490
Treasury stock	(475,972)	(387,581)
Accumulated other comprehensive loss	(99,547)	(92,445)
Total stockholders' equity	1,244,777	1,206,597
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,158,741	\$ 3,386,903

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

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
Revenues				
Software as a service and platform as a service	\$ 190,812	\$ 205,288	\$ 774,342	\$ 769,180
License	209,484	111,858	319,867	246,896
Maintenance	51,462	52,619	210,499	211,697
Services	15,071	17,279	65,890	66,549
Total revenues	466,829	387,044	1,370,598	1,294,322
Operating expenses				
Cost of revenue (1)	162,060	150,697	638,871	622,459
Research and development	39,519	31,118	144,310	139,293
Selling and marketing	36,328	26,875	126,539	103,567
General and administrative	34,372	49,784	123,801	152,468
Depreciation and amortization	31,746	32,863	127,180	131,791
Total operating expenses	304,025	291,337	1,160,701	1,149,578
Operating income	162,804	95,707	209,897	144,744
Other income (expense)				
Interest expense	(11,117)	(12,392)	(45,060)	(56,630)
Interest income	2,969	2,847	11,522	11,628
Other, net	(258)	5,245	(1,294)	(1,116)
Total other income (expense)	(8,406)	(4,300)	(34,832)	(46,118)
Income before income taxes	154,398	91,407	175,065	98,626
Income tax expense	44,927	24,261	47,274	25,966
Net income	\$ 109,471	\$ 67,146	\$ 127,791	\$ 72,660
Income per common share				
Basic	\$ 0.94	\$ 0.57	\$ 1.09	\$ 0.62
Diluted	\$ 0.93	\$ 0.56	\$ 1.08	\$ 0.62
Weighted average common shares outstanding				
Basic	116,912	116,934	117,407	116,397
Diluted	118,141	119,375	118,647	118,079

(1) The cost of revenue excludes charges for depreciation but includes amortization of purchased and developed software for resale.

ACI WORLDWIDE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
Cash flows from operating activities:				
Net income	\$ 109,471	\$ 67,146	\$ 127,791	\$ 72,660
Adjustments to reconcile net income to net cash flows from operating activities:				
Depreciation	5,062	6,716	20,900	24,728
Amortization	27,965	28,596	112,493	115,588
Amortization of operating lease right-of-use assets	2,763	9,303	10,515	23,448
Amortization of deferred debt issuance costs	1,160	1,189	4,685	4,802
Deferred income taxes	15,475	13,889	3,733	3,349
Stock-based compensation expense	6,452	6,659	27,242	29,602
Other	882	1,678	855	6,017
Changes in operating assets and liabilities, net of impact of acquisitions:				
Receivables	(99,783)	(32,468)	(43,830)	8,793
Accounts payable	6,488	804	1,408	2,484
Accrued employee compensation	4,814	4,906	3,674	18,491
Deferred revenue	(27,671)	(4,940)	(17,332)	9,421
Other current and noncurrent assets and liabilities	22,913	14,806	(31,661)	(4,488)
Net cash flows from operating activities	<u>75,991</u>	<u>118,284</u>	<u>220,473</u>	<u>314,895</u>
Cash flows from investing activities:				
Purchases of property and equipment	(7,614)	(3,713)	(20,582)	(17,804)
Purchases of software and distribution rights	(4,745)	(7,273)	(24,786)	(28,829)
Other	—	15,934	—	15,934
Net cash flows from investing activities	<u>(12,359)</u>	<u>4,948</u>	<u>(45,368)</u>	<u>(30,699)</u>
Cash flows from financing activities:				
Proceeds from issuance of common stock	914	906	3,440	3,759
Proceeds from exercises of stock options	1,610	5,406	8,862	11,924
Repurchase of stock-based compensation awards for tax withholdings	—	(418)	(14,833)	(11,568)
Repurchases of common stock	(67,967)	—	(107,378)	(28,881)
Proceeds from revolving credit facility	35,000	—	35,000	30,000
Repayment of revolving credit facility	(35,000)	(105,000)	(90,000)	(214,000)
Repayment of term portion of credit agreement	(9,738)	(9,738)	(38,950)	(38,950)
Payments on or proceeds from other debt, net	(4,998)	(3,810)	(15,185)	(13,854)
Net increase (decrease) in settlement assets and liabilities	17,635	85,587	(37,834)	101,681
Net cash flows from financing activities	<u>(62,544)</u>	<u>(27,067)</u>	<u>(256,878)</u>	<u>(159,889)</u>
Effect of exchange rate fluctuations on cash	449	(5,009)	533	(57)
Net increase (decrease) in cash and cash equivalents	1,537	91,156	(81,240)	124,250
Cash and cash equivalents, including settlement deposits, beginning of period	182,605	174,226	265,382	141,132
Cash and cash equivalents, including settlement deposits, end of period	<u>\$ 184,142</u>	<u>\$ 265,382</u>	<u>\$ 184,142</u>	<u>\$ 265,382</u>
Reconciliation of cash and cash equivalents to the Consolidated Balance Sheets				
Cash and cash equivalents	\$ 122,059	\$ 165,374	\$ 122,059	\$ 165,374
Settlement deposits	62,083	100,008	62,083	100,008
Total cash and cash equivalents	<u>\$ 184,142</u>	<u>\$ 265,382</u>	<u>\$ 184,142</u>	<u>\$ 265,382</u>

(1) We revised the consolidated statements of cash flows presentation to include cash and cash equivalents within settlement assets as a component of total cash and cash equivalents. We have revised the 2020 presentation for comparability purposes.

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

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

EPS Impact of Non-cash and Significant Transaction-related Items (millions)

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

EPS Impact of Non-cash and Significant Transaction-related Items (millions)

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

Recurring Revenue (millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
	SaaS and PaaS fees	\$ 190.8	\$ 205.3	\$ 774.3
Maintenance fees	51.5	52.6	210.5	211.7
Recurring revenue	\$ 242.3	\$ 257.9	\$ 984.8	\$ 980.9

Annual Recurring Revenue (ARR) Bookings (millions)

	Three Months Ended December 31,		Years Ended December 31,	
	2021	2020	2021	2020
	ARR bookings	\$ 31.8	\$ 39.8	\$ 81.5



Earnings Presentation

Q4 and Full Year 2021

February 24, 2022

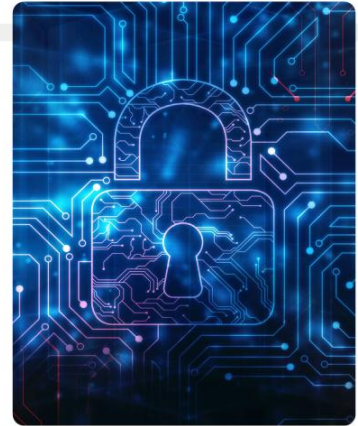
Private Securities Litigation Reform Act of 1995 Safe Harbor for Forward-Looking Statements

This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties.

The forward-looking statements are made pursuant to safe harbor provisions of the **Private Securities Litigation Reform Act of 1995**.

A discussion of these **forward-looking statements and risk factors** that may affect them is set forth at the end of this presentation.

The Company assumes **no obligation to update** any forward-looking statement in this presentation, except as required by law.



ACI Delivers Mission-Critical Payment Solutions

ACI Worldwide
is the global leader
in mission-critical,
real-time payments
software.

Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to:

Process and manage digital payments

Enable omni-commerce payments

Present and process bill payments

Manage fraud and risk

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

Three-Pillar Strategy

Fit for Growth

We are organized and operating with a strong focus on growth by:

- Adopting a simpler, flatter and more agile organizational structure
- Building a powerful, best-in-class sales engine
- Fewer layers between business leaders and customers

Focused on Growth

We are focusing investments on the biggest growth opportunities and continuing to accelerate the digital transformation of payments by:

- Increasing investment in real-time payments, global sophisticated merchants, international markets and the next generation real-time payments platform

Step-Change Value Creation

We continue to build on our successful history of mergers and acquisitions by:

- Driving inorganic value creation through acquisitions and divestitures aligned with our areas of focus and overall strategy

FY 2021 Highlights

Consolidated Results	Segment Results	Balance Sheet
<p>Total revenue of \$1.4B, up 6% from 2020</p> <p>Adjusted EBITDA of \$384M, up 7% from 2020</p> <p>Net adjusted EBITDA margin of 38%, up from 37% in 2020</p> <p>Exceeded Rule of 40 for first year ever</p>	<p>Banking revenue +12%</p> <p>Merchant revenue +2%</p> <p>Billor revenue +1%</p>	<p>\$122M cash balance*</p> <p>Revolving credit facility of \$500M, Repaid \$94M of debt in 2021</p> <p>\$1B debt Net debt ratio of 2.5x*</p> <p>Repurchased 3 million shares in 2021 and 800 thousand so far in 2022</p> <ul style="list-style-type: none">• \$190 million remaining on authorization

* Statistics as of 12/31/2021

ACI Worldwide

2022 Guidance

2022 will cement our foundation for growth acceleration

2022 Revenue Guidance	2022 adjusted EBITDA guidance	Q1 2022
Revenue expected \$1.415B - \$1.435B Expect quarterly phasing less second half weighted	Adjusted EBITDA expected \$400M - \$415M Expect net adjusted EBITDA margin slightly higher than 2021	Revenue expected \$310M - \$330M Adjusted EBITDA expected \$60M - \$80M

2021 Quarter 4 : Recognitions

Leading global industry research firms recognize ACI's solutions leadership



Best Online Payment Solution - Merchant

ACI Secure Commerce



Best Application in AI in Large Enterprise

ACI Incremental Learning Technology



Best Wow Insight from Data Award

ACI Fraud Management

Best Pillar of Payments Award

ACI Acquiring



Most Innovative Cloud Deployment

ACI Acquiring

Best Payment Hub/Wholesale Payments

ACI Acquiring

ACI Worldwide

Real-Time Payments

Supplemental Financial Data

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

Supplemental Financial Data

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

Supplemental Financial Data

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

Supplemental Financial Data

EPS impact of non-cash and significant transaction-related items (millions)	Three Months Ended December 31,			
	2021		2020	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 0.93	\$ 109.5	\$ 0.56	\$ 67.1
Adjusted for:				
Significant transaction-related expenses	0.02	2.1	0.12	14.5
Amortization of acquisition-related intangibles	0.06	7.0	0.06	7.0
Amortization of acquisition-related software	0.05	5.5	0.06	7.5
Non-cash stock-based compensation	0.04	4.9	0.04	5.1
Total adjustments	0.17	19.5	0.28	34.1
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 1.10	\$ 129.0	\$ 0.84	\$ 101.2
EPS impact of non-cash and significant transaction-related items (millions)	Years Ended December 31,			
	2021		2020	
	EPS Impact	\$ in Millions (Net of Tax)	EPS Impact	\$ in Millions (Net of Tax)
GAAP net income	\$ 1.08	\$ 127.8	\$ 0.62	\$ 72.7
Adjusted for:				
Significant transaction-related expenses	0.09	10.2	0.29	34.2
Amortization of acquisition-related intangibles	0.24	28.1	0.24	28.2
Amortization of acquisition-related software	0.21	24.6	0.27	31.8
Non-cash stock-based compensation	0.17	20.7	0.19	22.5
Total adjustments	0.71	83.6	0.99	116.7
Diluted EPS adjusted for non-cash and significant transaction-related items	\$ 1.79	\$ 211.4	\$ 1.61	\$ 189.4

Non-GAAP Financial Measures

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables, which exclude significant transaction related expenses, as well as other significant non-cash expenses such as depreciation, amortization, and non-cash compensation, that we believe are helpful in understanding our past financial performance and our future results. The presentation of these non-GAAP financial measures should be considered in addition to our GAAP results and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management generally compensates for limitations in the use of non-GAAP financial measures by relying on comparable GAAP financial measures and providing investors with a reconciliation of non-GAAP financial measures only in addition to and in conjunction with results presented in accordance with GAAP. We believe that these non-GAAP financial measures reflect an additional way to view aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. Certain non-GAAP measures include:

- Adjusted EBITDA: net income (loss) plus income tax expense (benefit), net interest income (expense), net other income (expense), depreciation, amortization, and non-cash compensation, as well as significant transaction related expenses. Adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income (loss).
- Net Adjusted EBITDA Margin: Adjusted EBITDA divided by revenue net of pass through interchange revenue. Net Adjusted EBITDA Margin should be considered in addition to, rather than as a substitute for, net income (loss).
- Diluted EPS adjusted for non-cash and significant transaction related items: diluted EPS plus tax effected significant transaction related items, amortization of acquired intangibles and software, and non-cash stock-based compensation. Diluted EPS adjusted for non-cash and significant transaction related items should be considered in addition to, rather than as a substitute for, diluted EPS.
- Recurring Revenue: revenue from software as a service and platform service fees and maintenance fees. Recurring revenue should be considered in addition to, rather than as a substitute for, total revenue.

Forward Looking Statements

This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as "believes," "will," "expects," "anticipates," "intends," and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements in this presentation include, but are not limited to, statements regarding full year and Q1 2022 financial guidance for revenue, adjusted EBITDA and net adjusted EBITDA margin.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in our filings with the Securities and Exchange Commission. Such factors include, but are not limited to, increased competition, business interruptions or failure of our information technology and communication systems, security breaches or viruses, our ability to attract and retain senior management personnel and skilled technical employees, future acquisitions, strategic partnerships and investments, implementation and success of our Three Pillar strategy, impact if we convert some or all on-premise licenses from fixed-term to subscription model, anti-takeover provisions, exposure to credit or operating risks arising from certain payment funding methods, customer reluctance to switch to a new vendor, our ability to adequately defend our intellectual property, litigation, our offshore software development activities, risks from operating internationally, including fluctuations in currency exchange rates, adverse changes in the global economy, compliance of our products with applicable legislation, governmental regulations and industry standards, the complexity of our products and services and the risk that they may contain hidden defects, complex regulations applicable to our payments business, our compliance with privacy regulations, our involvement in investigations, lawsuits and other expense and time-consuming legal proceedings, exposure to unknown tax liabilities, consolidations and failures in the financial services industry, volatility in our stock price, demand for our products, failure to obtain renewals of customer contracts or to obtain such renewals on favorable terms, delay or cancellation of customer projects or inaccurate project completion estimates, impairment of our goodwill or intangible assets, the accuracy of management's backlog estimates, the cyclical nature of our revenue and earnings and the accuracy of forecasts due to the concentration of revenue-generating activity during the final weeks of each quarter, restrictions and other financial covenants in our debt agreements, our existing levels of debt, potential adverse effects from the impending replacement of LIBOR, the COVID-19 pandemic, and events outside of our control including natural disasters, wars, and outbreaks of disease. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q.

