

ANALYST DAY 2017

Thursday, March 9, 2017



UNIVERSAL
PAYMENTSSM



Private Securities Litigation Reform Act of 1995

Safe Harbor For Forward-Looking Statements

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

WELCOME

John Kraft

Vice President, Investor Relations &
Strategic Analysis



AGENDA

- **ACI Evolution and Strategy**
- **Financial Highlights**
- **UP Solutions: Success in On Premise and Growth in the Cloud**
- **BREAK**
- **ACI On Demand**
- **Immediate Payments: A Global Roundtable Discussion**
- **Q&A**
- **Lunch and Networking**

ACI EVOLUTION AND STRATEGY

Phil Heasley

President & CEO



OBJECTIVES

1. Not a processing business
2. 12-year journey
3. Power of UP

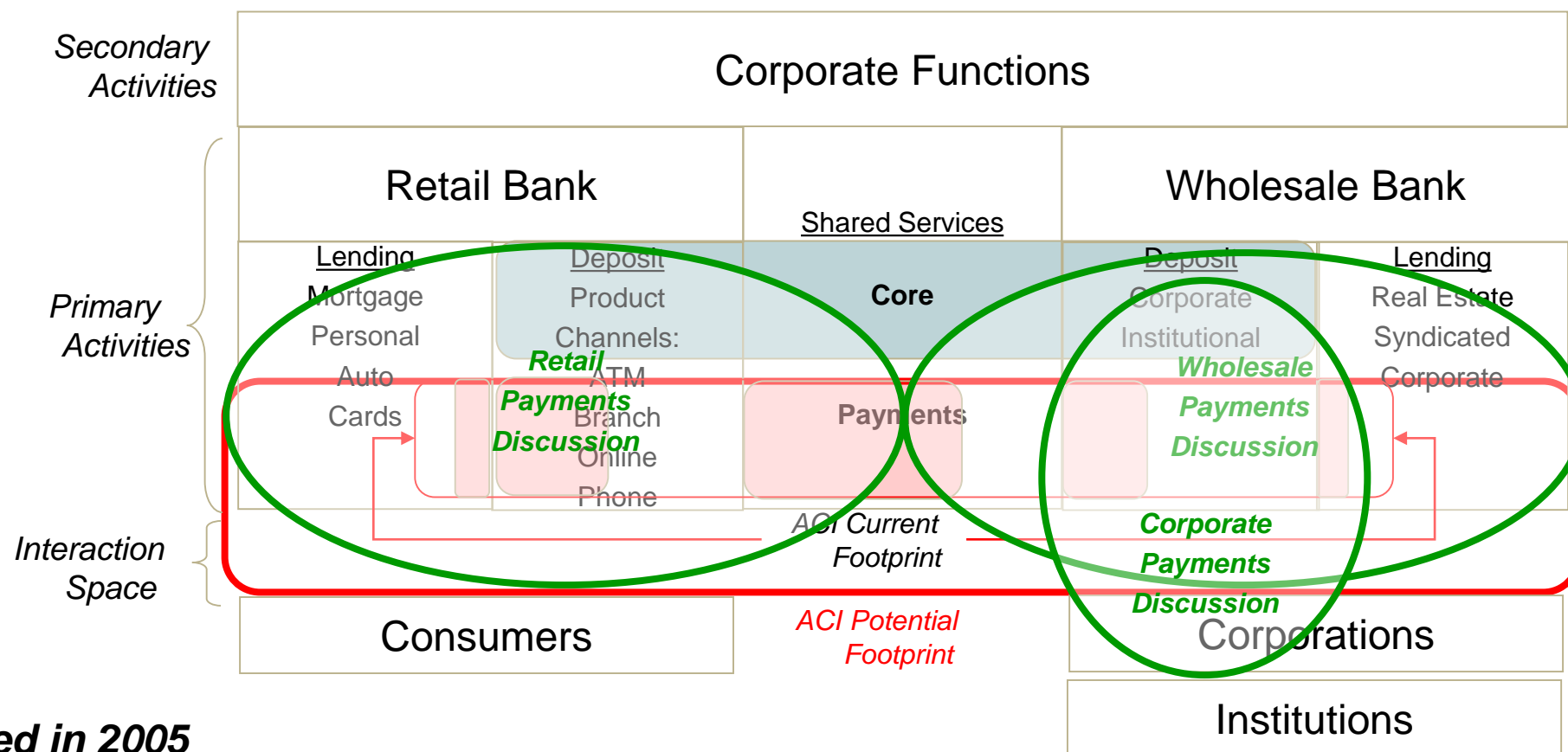


OUR VISION

ACI is a highly focused and unified payments software enterprise that enables any-to-any payment transactions to occur regardless of time, location or type, supporting multi-party payments with the notion that the purchaser directs the payments to his/her provider of choice to satisfy the transaction in an efficient and secure environment.



ACI Presence on FI Value Chain

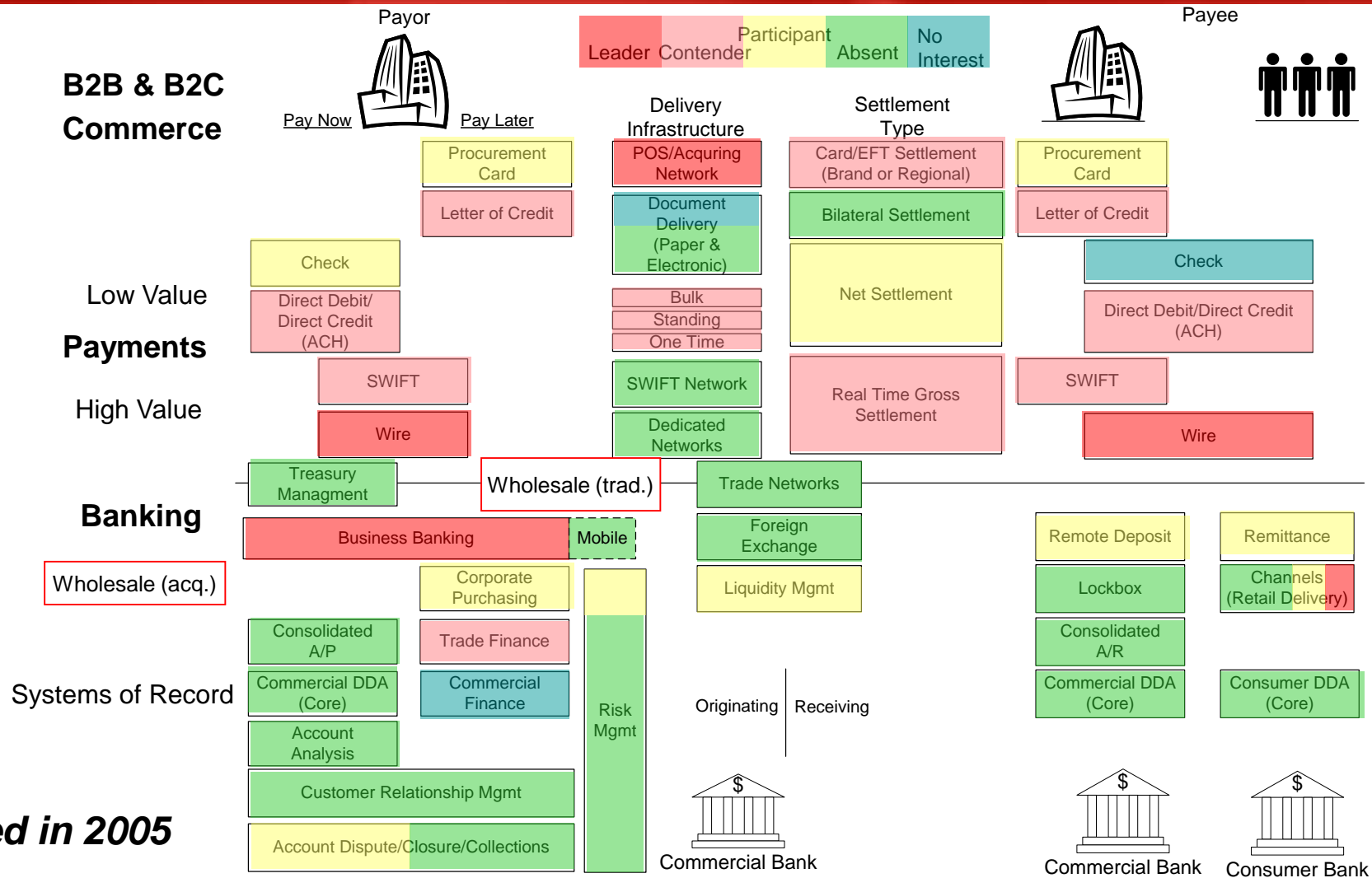


Published in 2005

Source: Financial Insights, Michael Porter, Internal Analysis

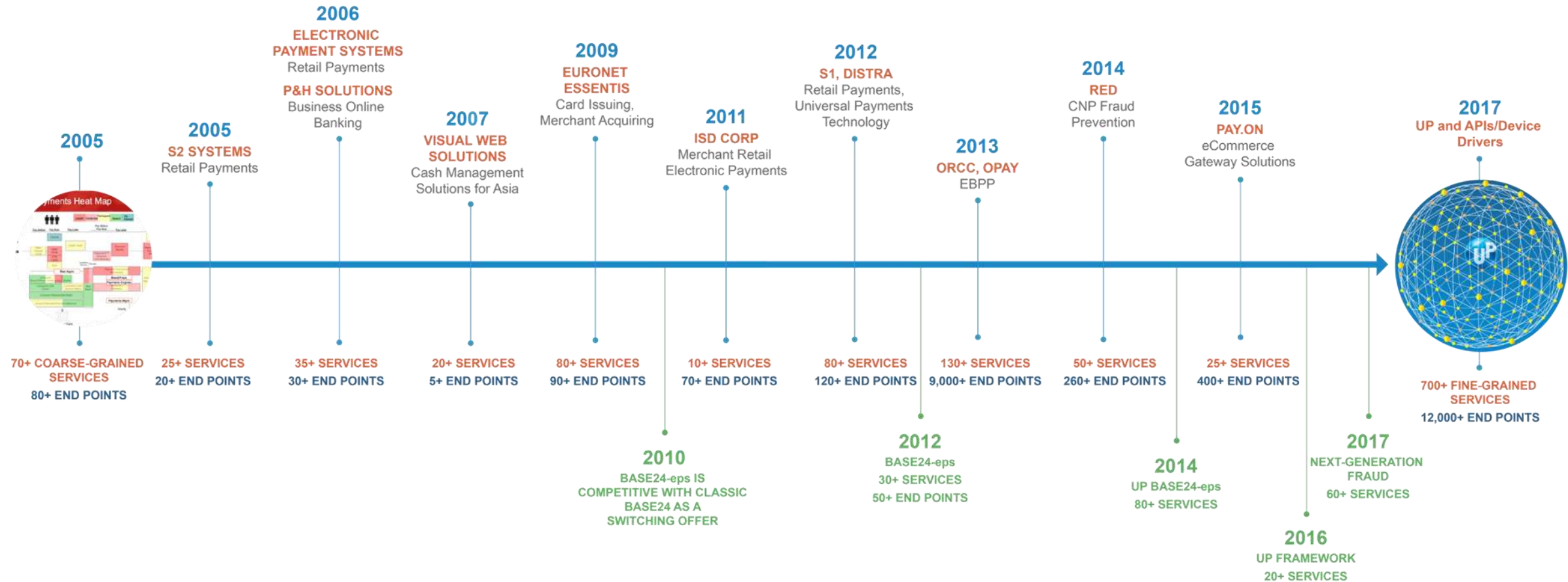


Wholesale Payments Heat Map

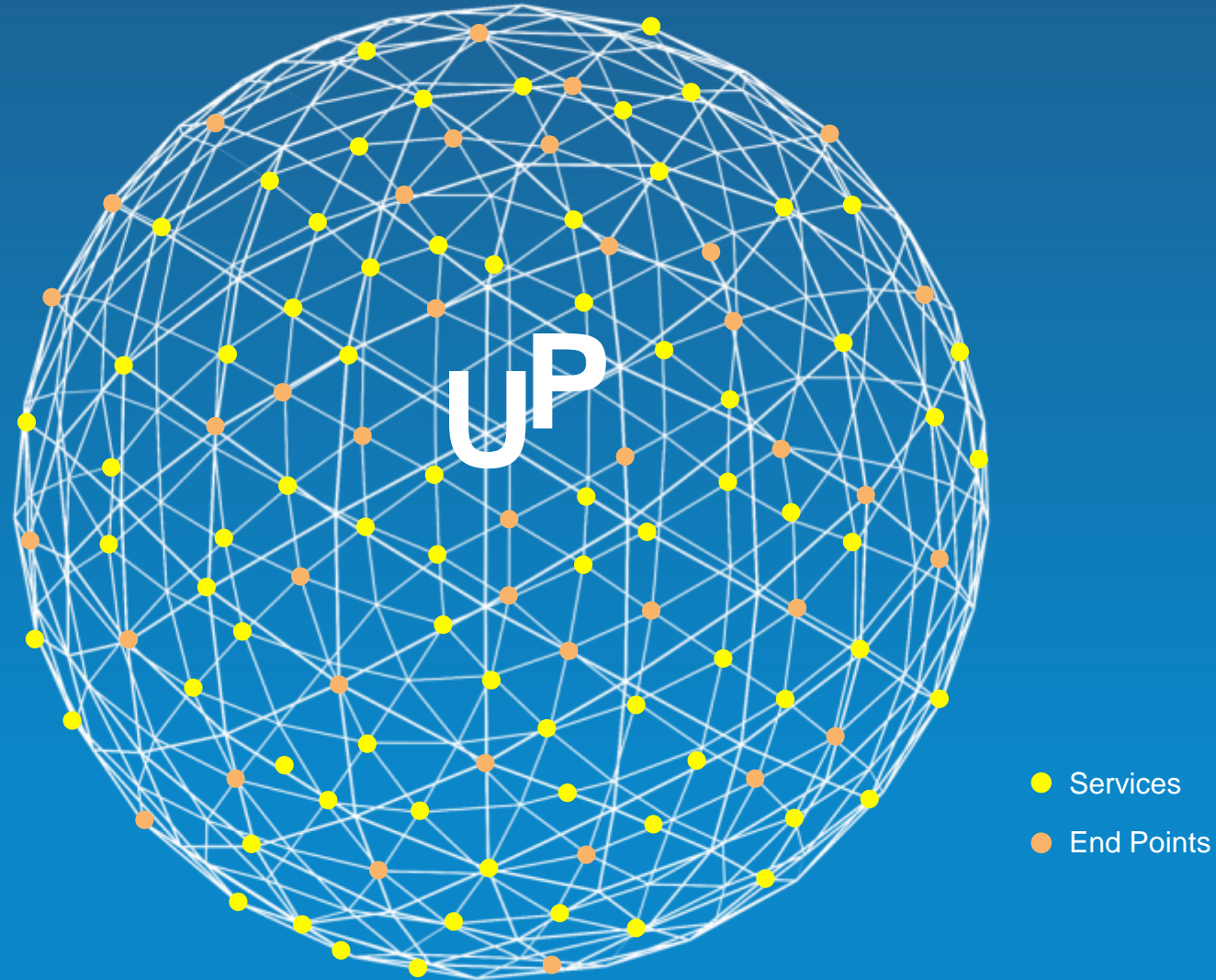


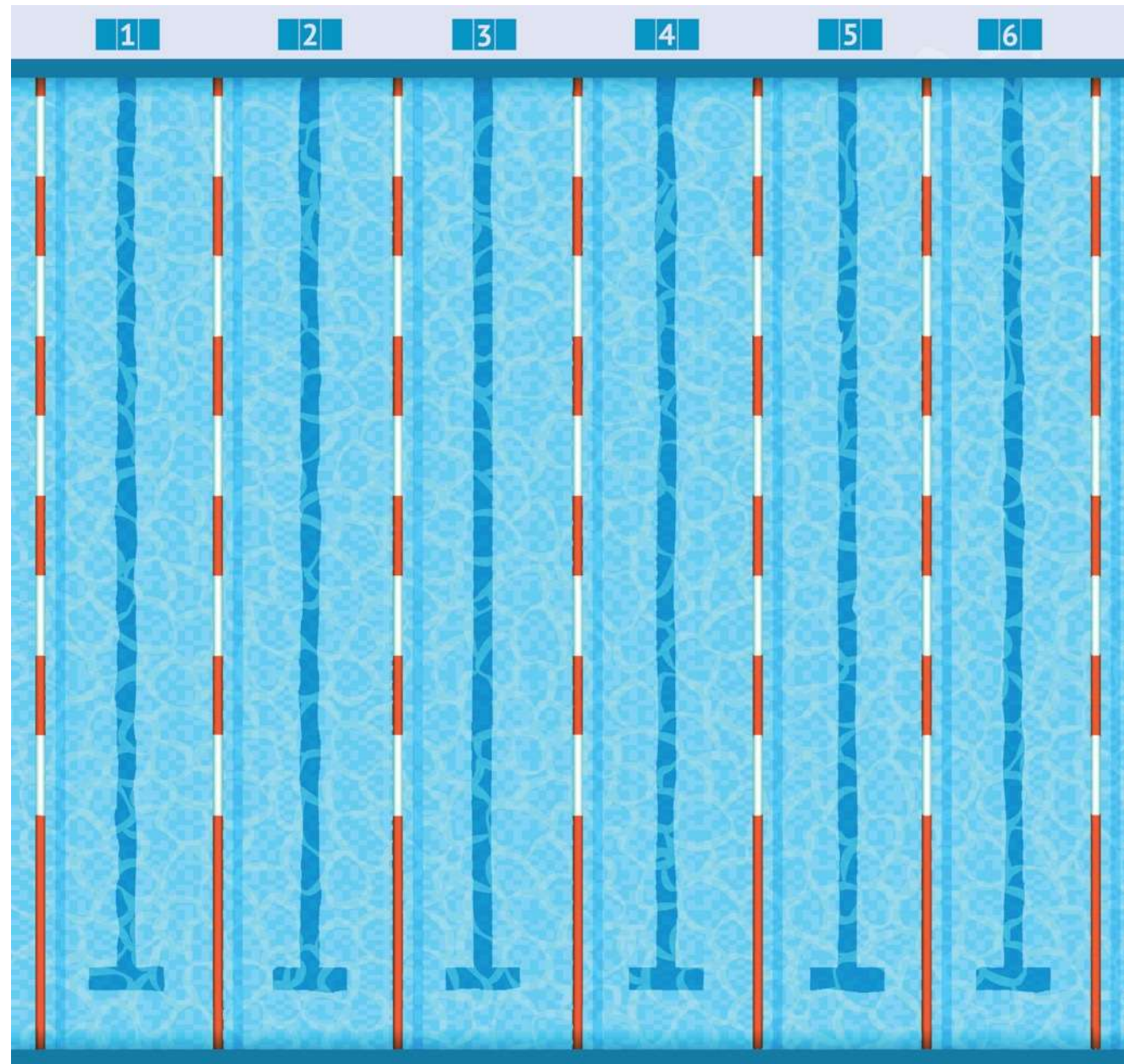
UP – Reaching Universal Connectivity

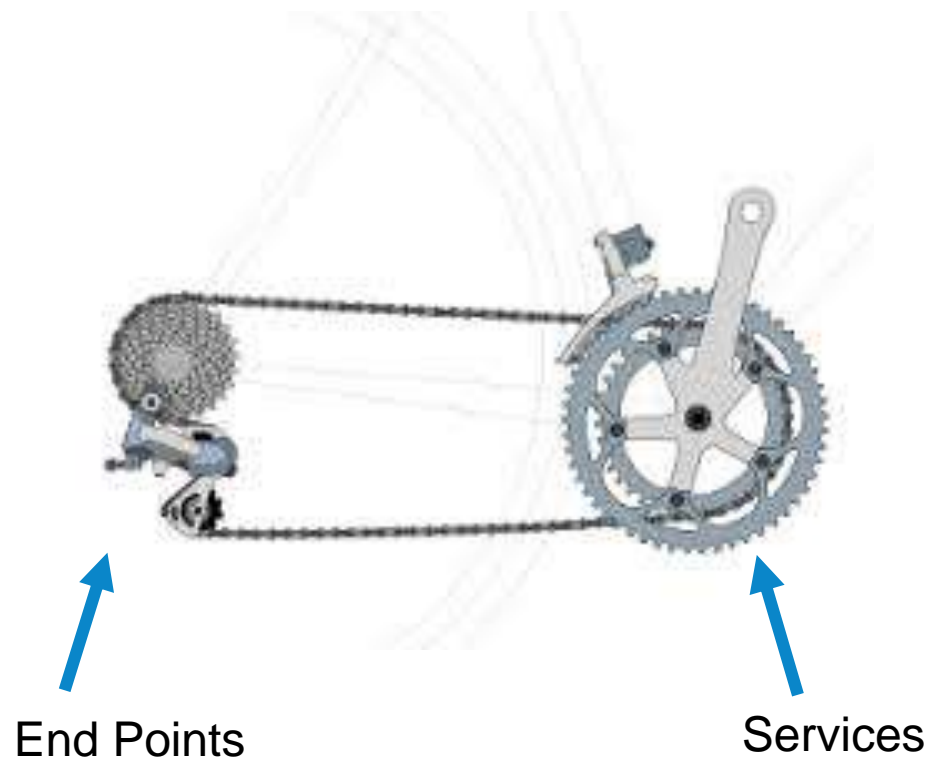
The Journey



UP – Reaching Universal Connectivity



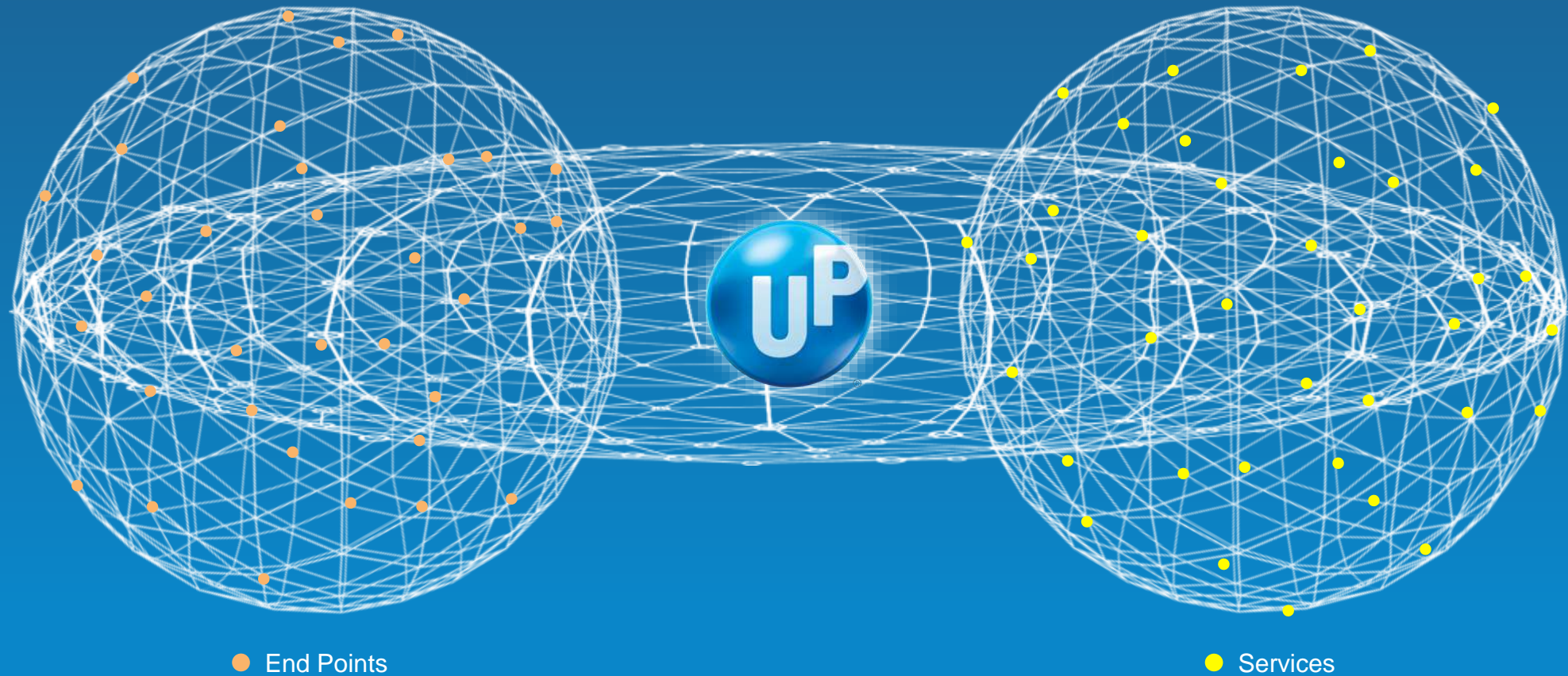




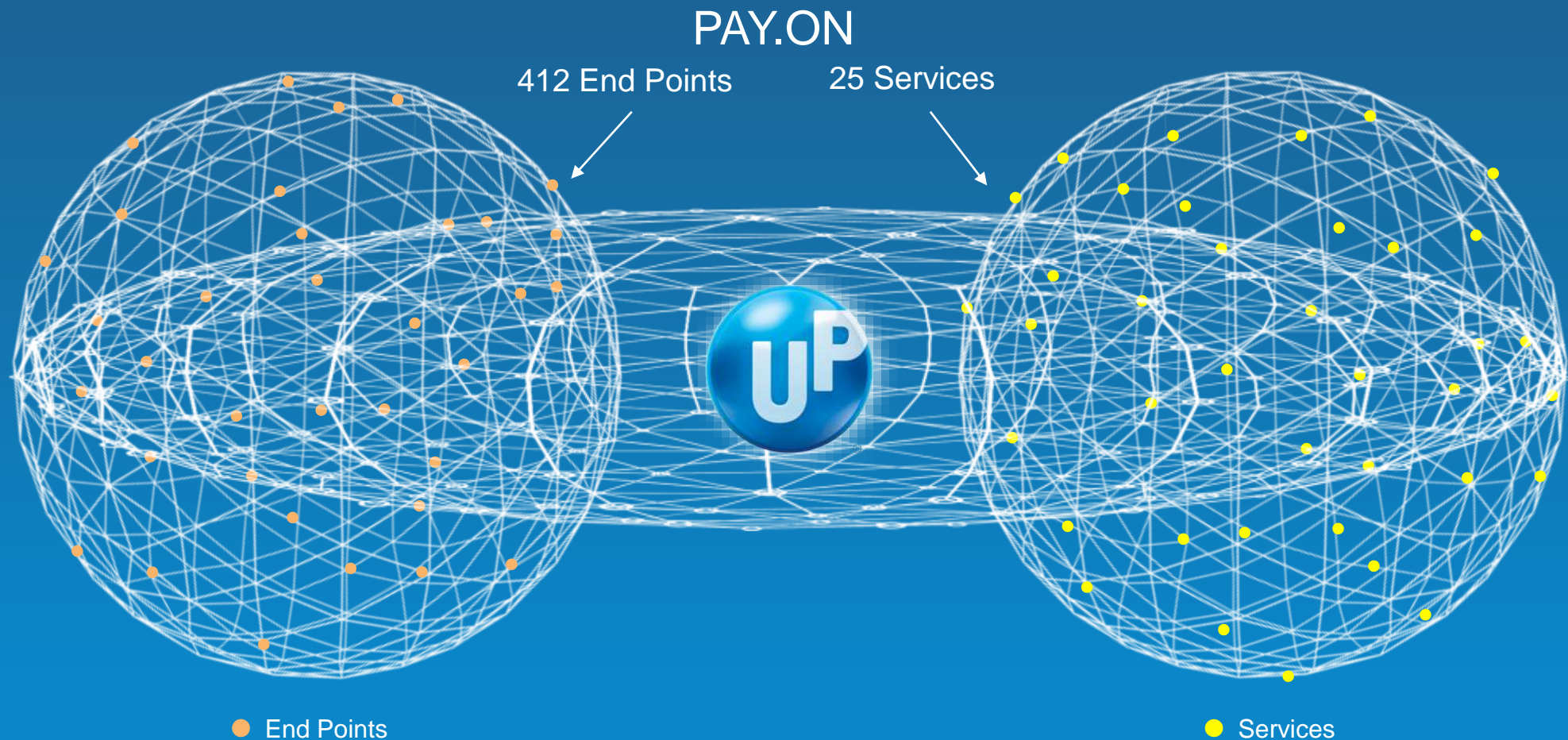
**Coarse-grained
UP**



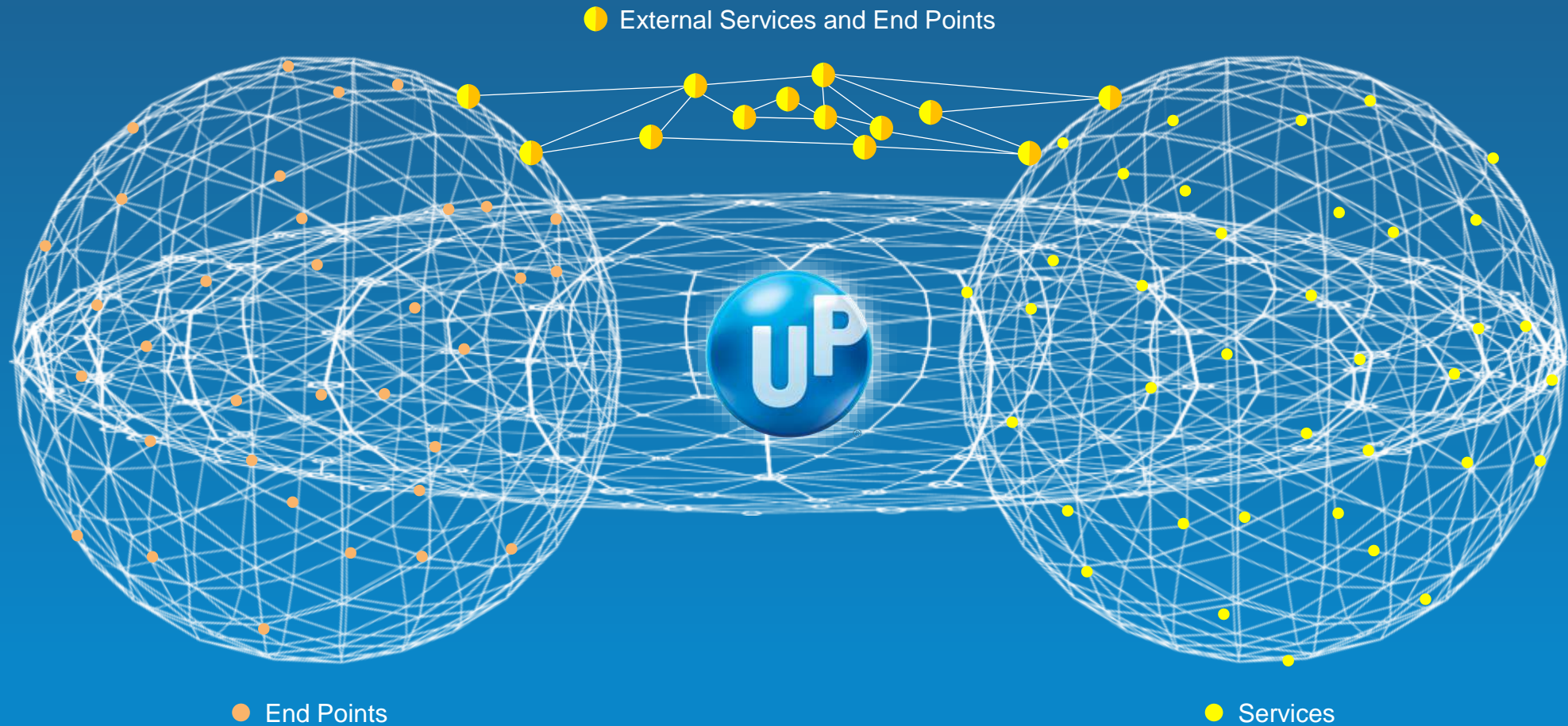
UP – Reaching Universal Connectivity



PAY.ON: Expanding our Connectivity



UP – Reaching Universal Connectivity



UP – Reaching Universal Connectivity



- Services
- End Points
- External Services and End Points

UP RETAIL
UP WHOLESALE
UP MERCHANT



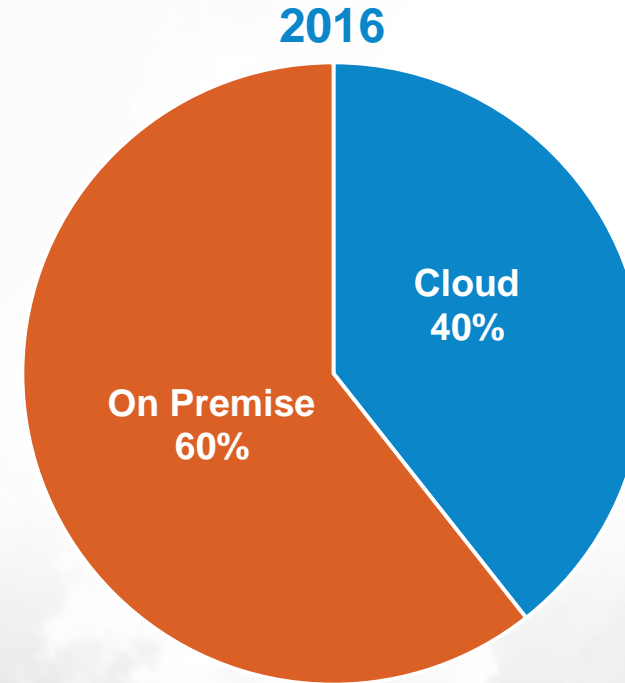
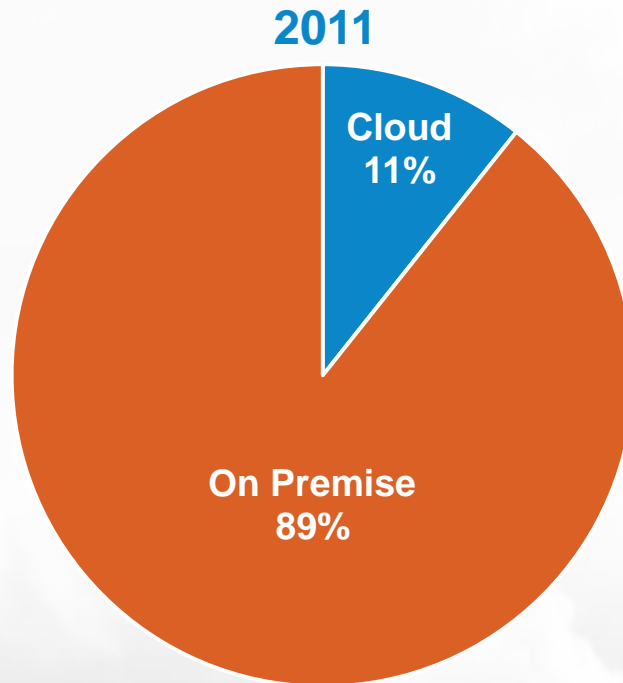
FINANCIAL HIGHLIGHTS

Scott Behrens

Chief Financial Officer



ACI Shift Towards the Cloud



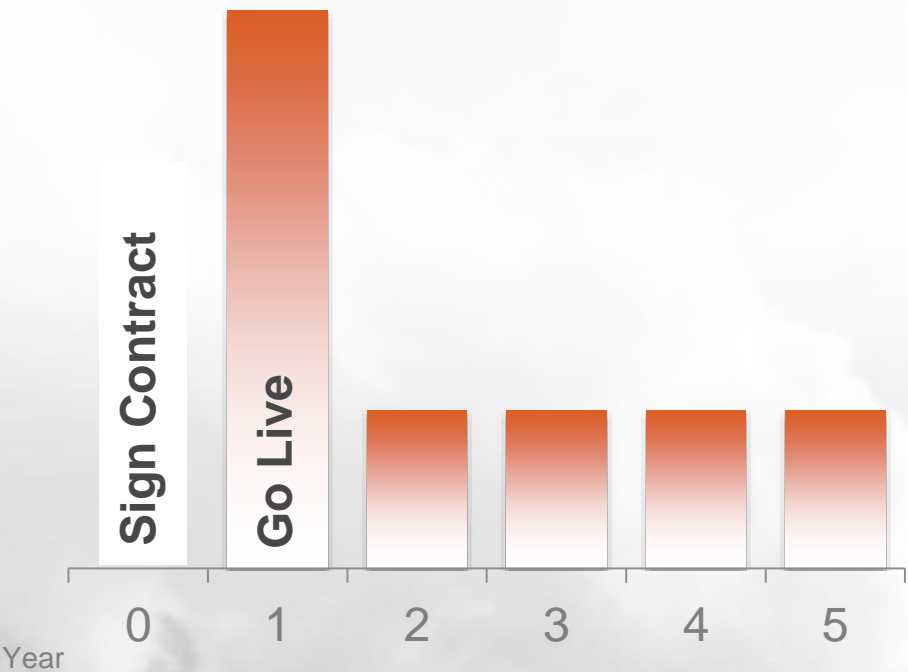
- Faster growth in ACI's cloud business
- Merchant retailer and particular focus on eCommerce
- Traditional On Premise customers converting to Cloud
- Cash management

ACI Revenue Model Shifts with Cloud Adoption



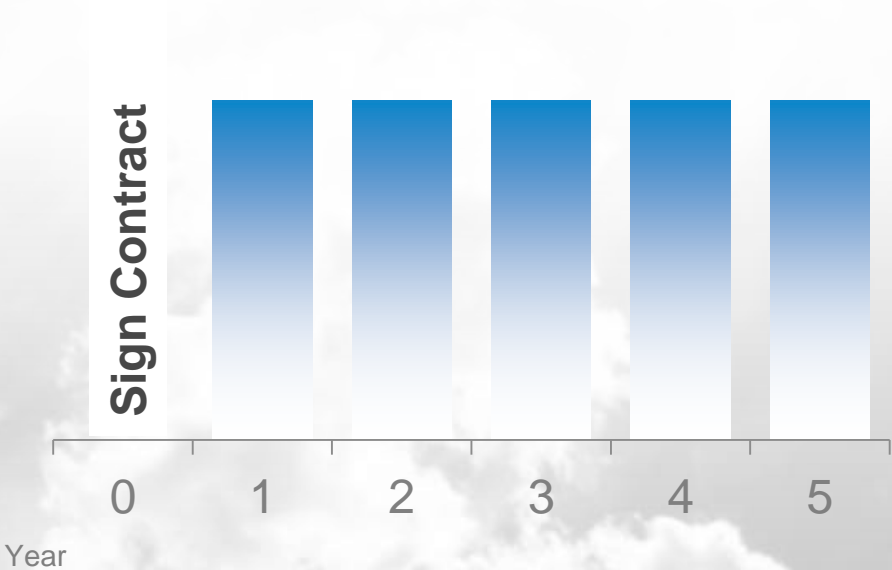
On Premise

Higher percentage realized at go-live
Revenue starts when customer is live



Cloud

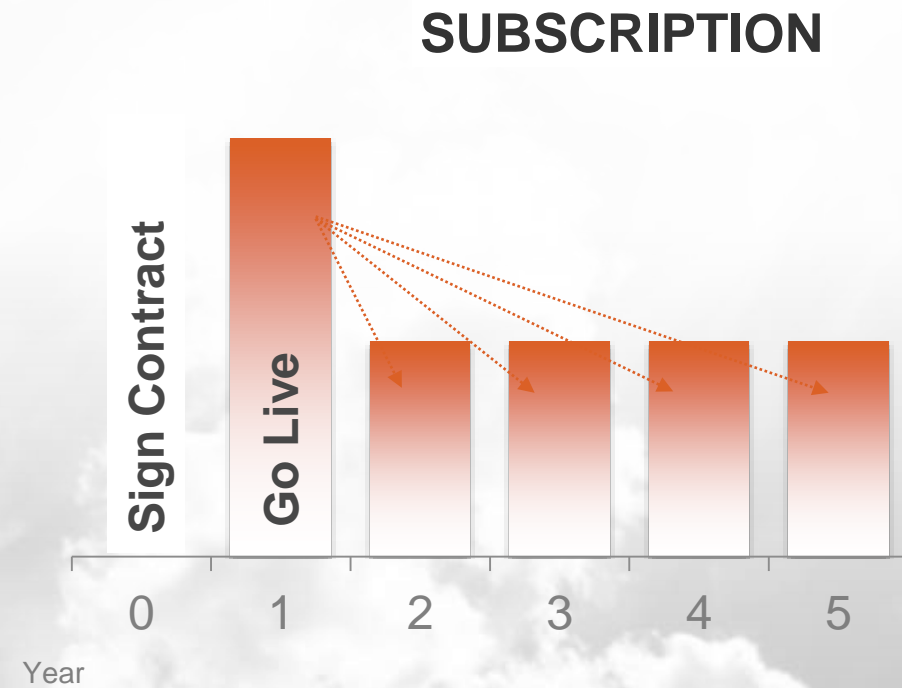
Steady recurring revenues
Revenue starts when customer is live



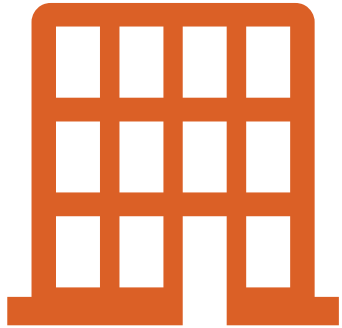
ACI Revenue Model Shifts with Subscription Adoption



On Premise



Deployment Model Characteristics



On Premise

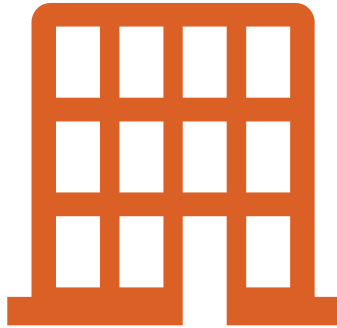
- Longer implementations
- Greater degree of customization
- Greater stickiness



Cloud

- Faster implementations
- Lower degree of customization
- More predictable revenue stream

Revenue Drivers



On Premise

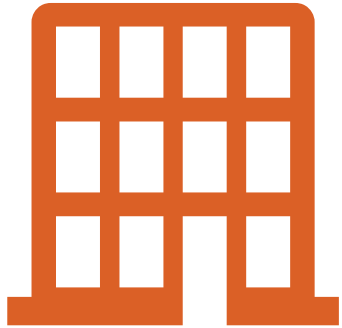
- Execute on UP strategy
- New logos
- Cross-selling to existing customers
- Price increases
- Secular transaction growth



Cloud

- Harvest backlog
- Improve customer onboarding time
- New logos and incremental volume from existing customers
- Disciplined transaction-based pricing

Profitability Drivers



On Premise

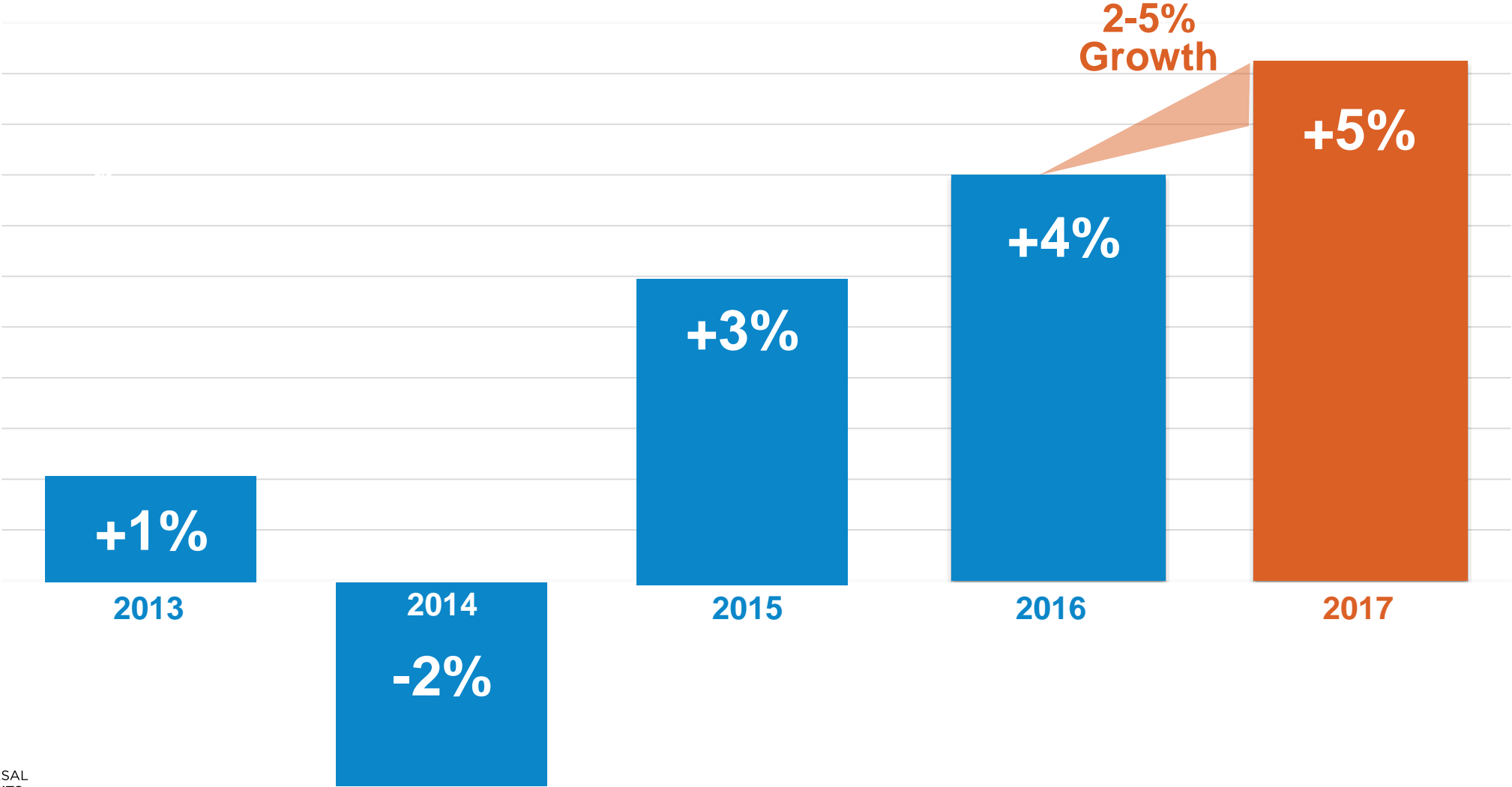
- Layer on new license and maintenance revenue on top of relatively fixed cost basis
- Increase implementation services productivity
- Improve maintenance margins
- Maintain low attrition



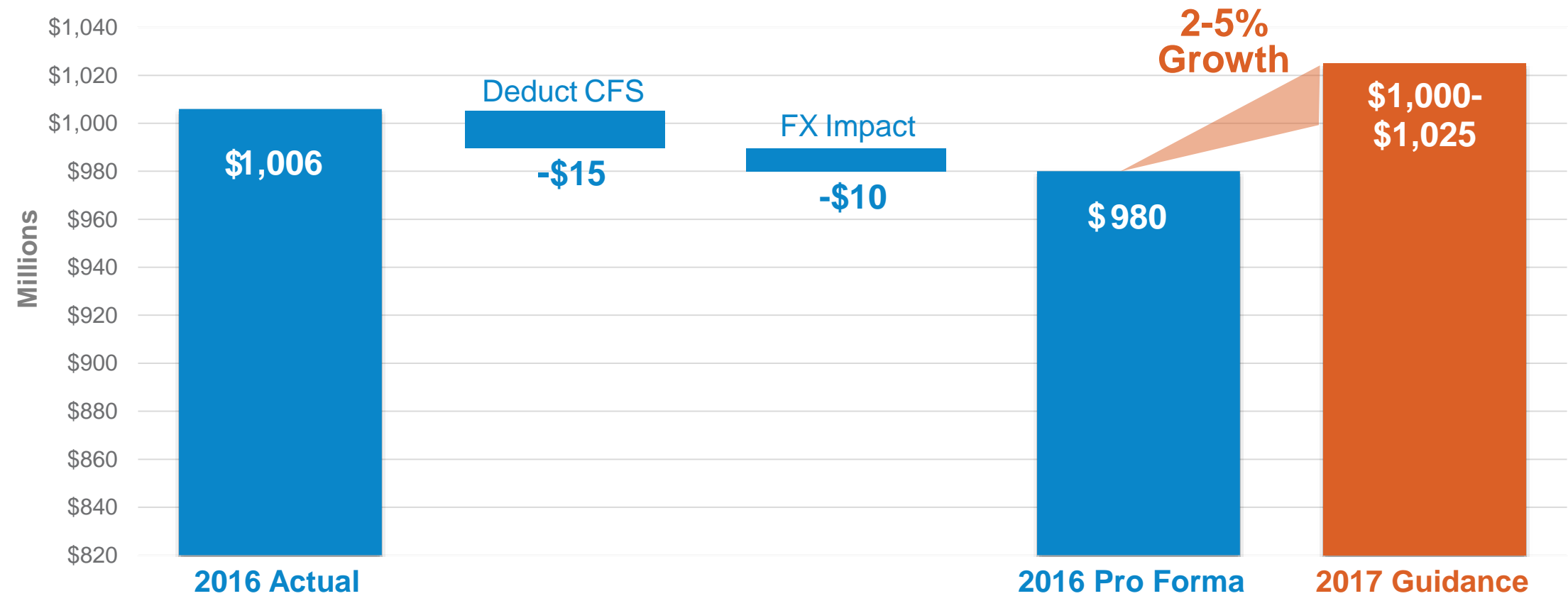
Cloud

- Scale will deliver high incremental margins
- Lower cost to operate SaaS and Platform businesses
- Become low-cost producer
- Manage customer success

Organic Growth Increasing



2017 Guidance



Financial Summary – Five-year Targets

- **Organic revenue growth**
Mid-to-upper single digits
- **Adjusted EBITDA margin**
100 bps expansion per year
- **Operating free cash flow**
Track adjusted EBITDA growth
- **New bookings growth**
High single digits



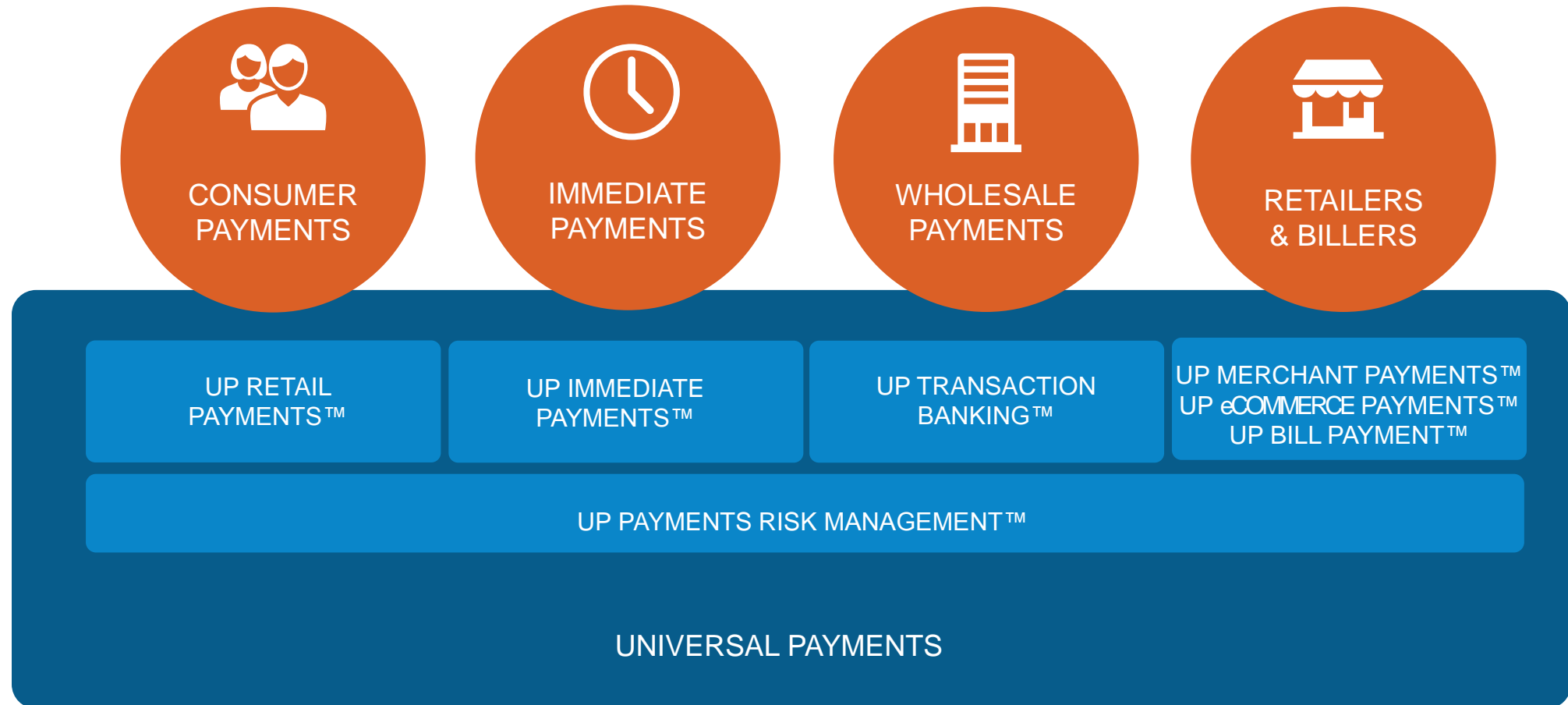
ACI UP SOLUTIONS: SUCCESS IN ON PREMISE AND GROWTH IN THE CLOUD

Craig Saks

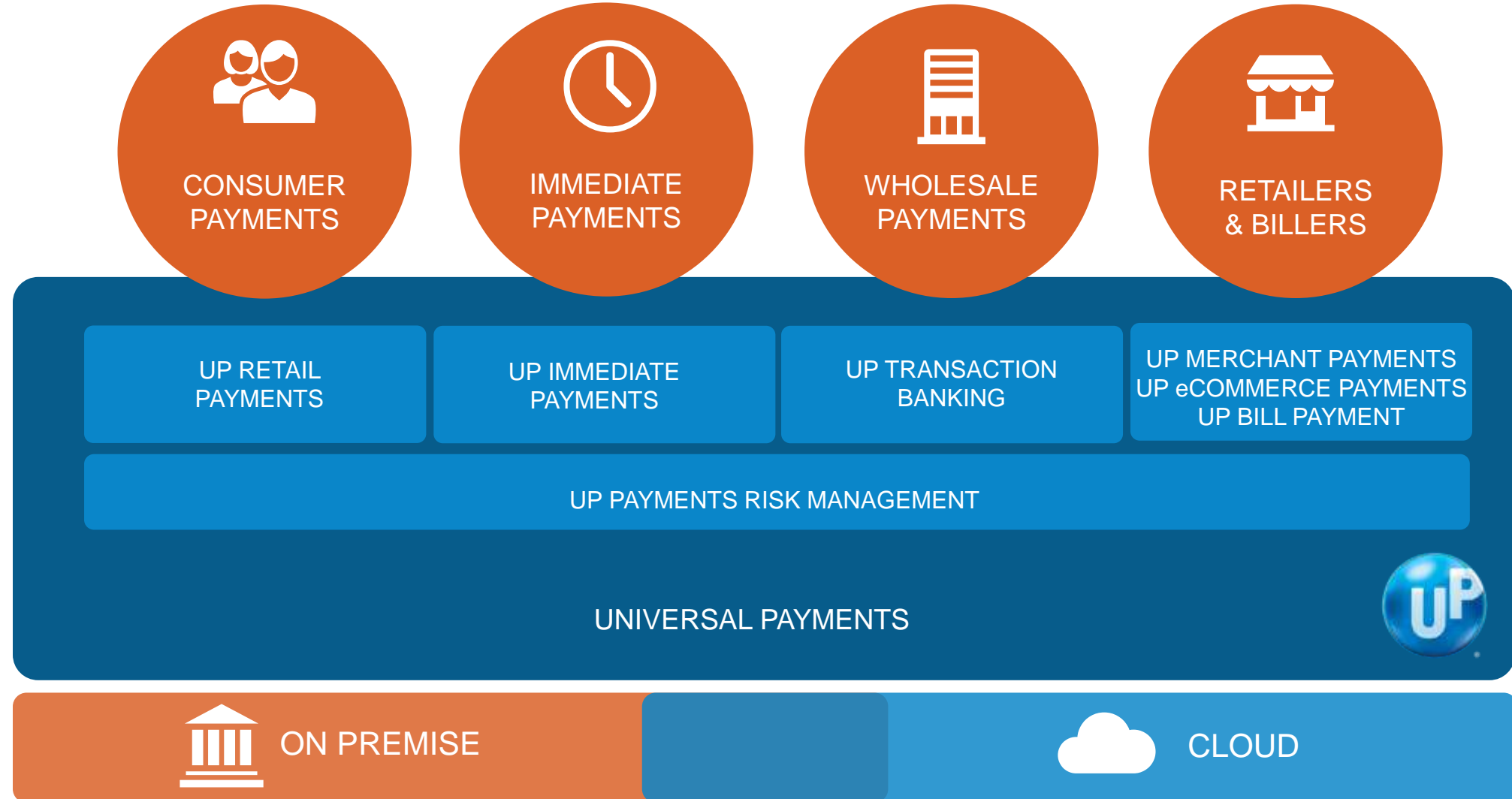
Chief Operating Officer



Taking ACI's Vision to Market



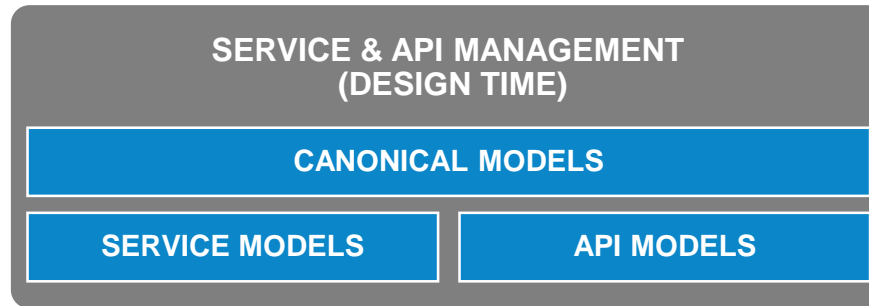
ACI Solutions Support Full Range of Deployment Options



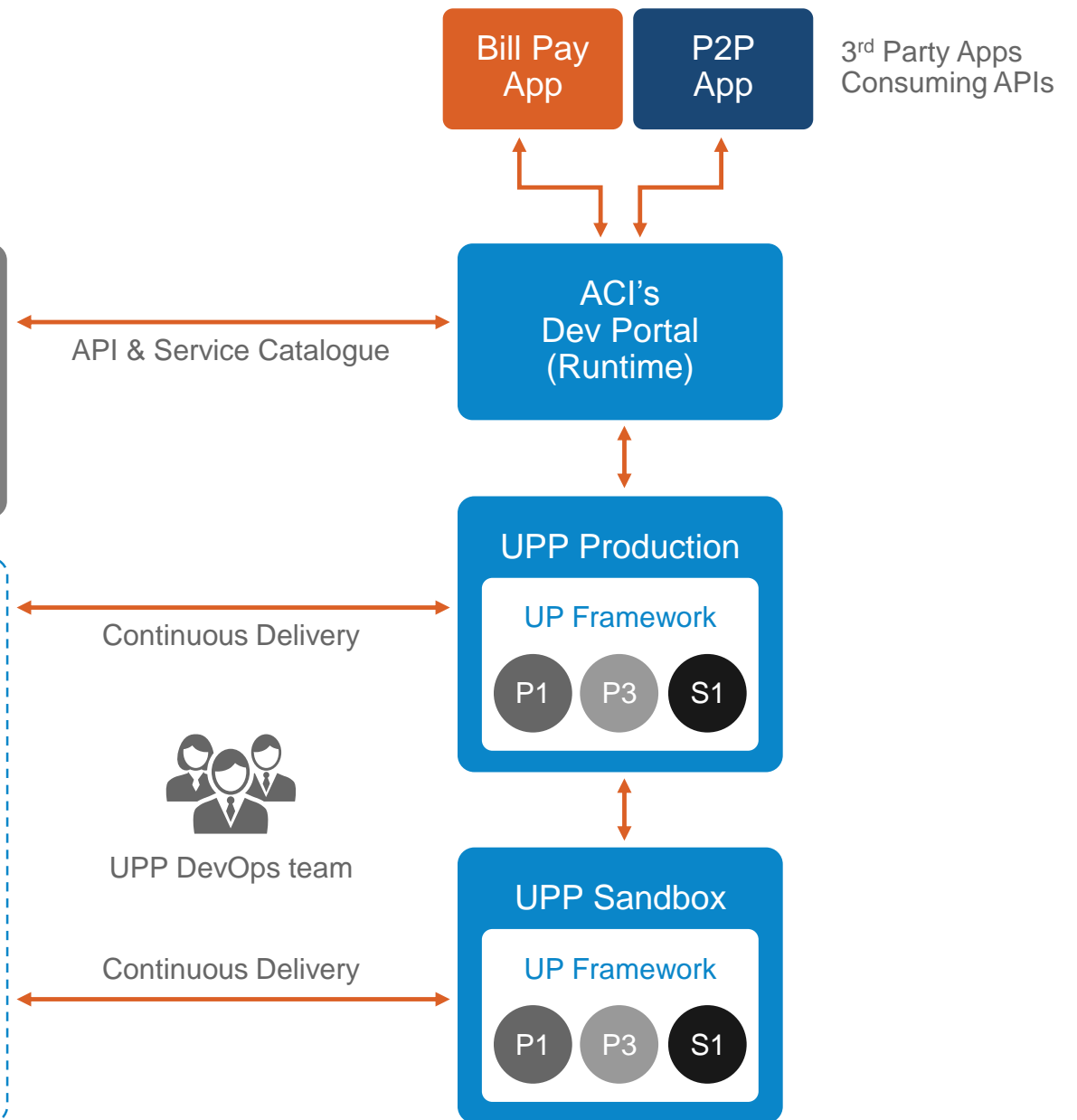
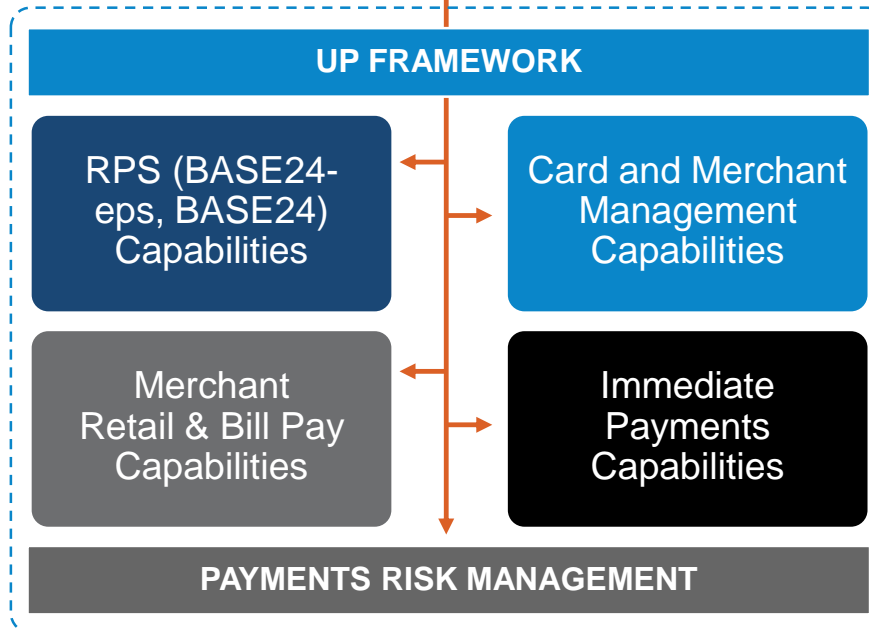
Universal Payments Ecosystem

Design, development, delivery

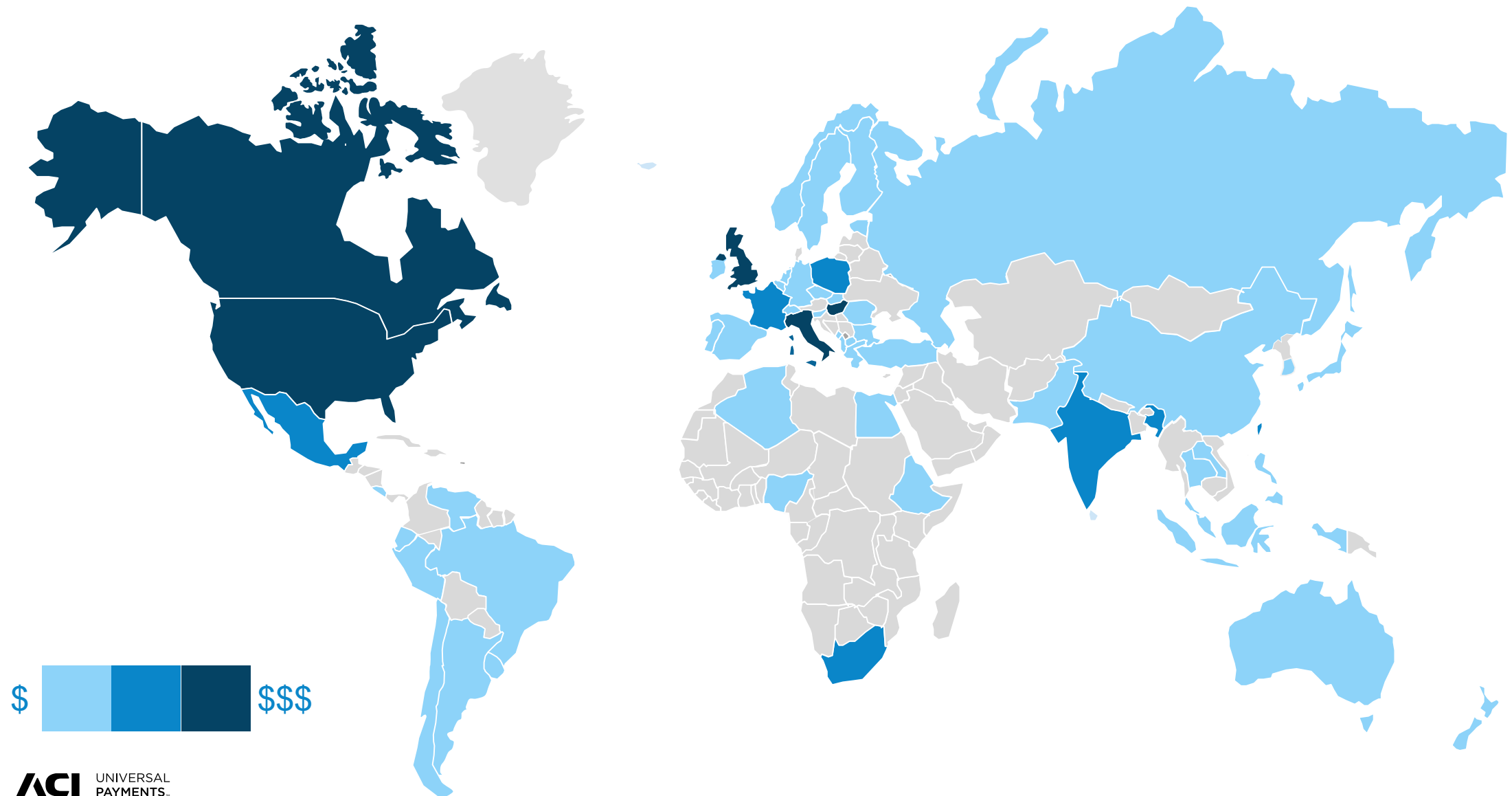

Canonical Model
Focus
(IFX, ISO 20022)




Agile Product Dev
Service/API Focus

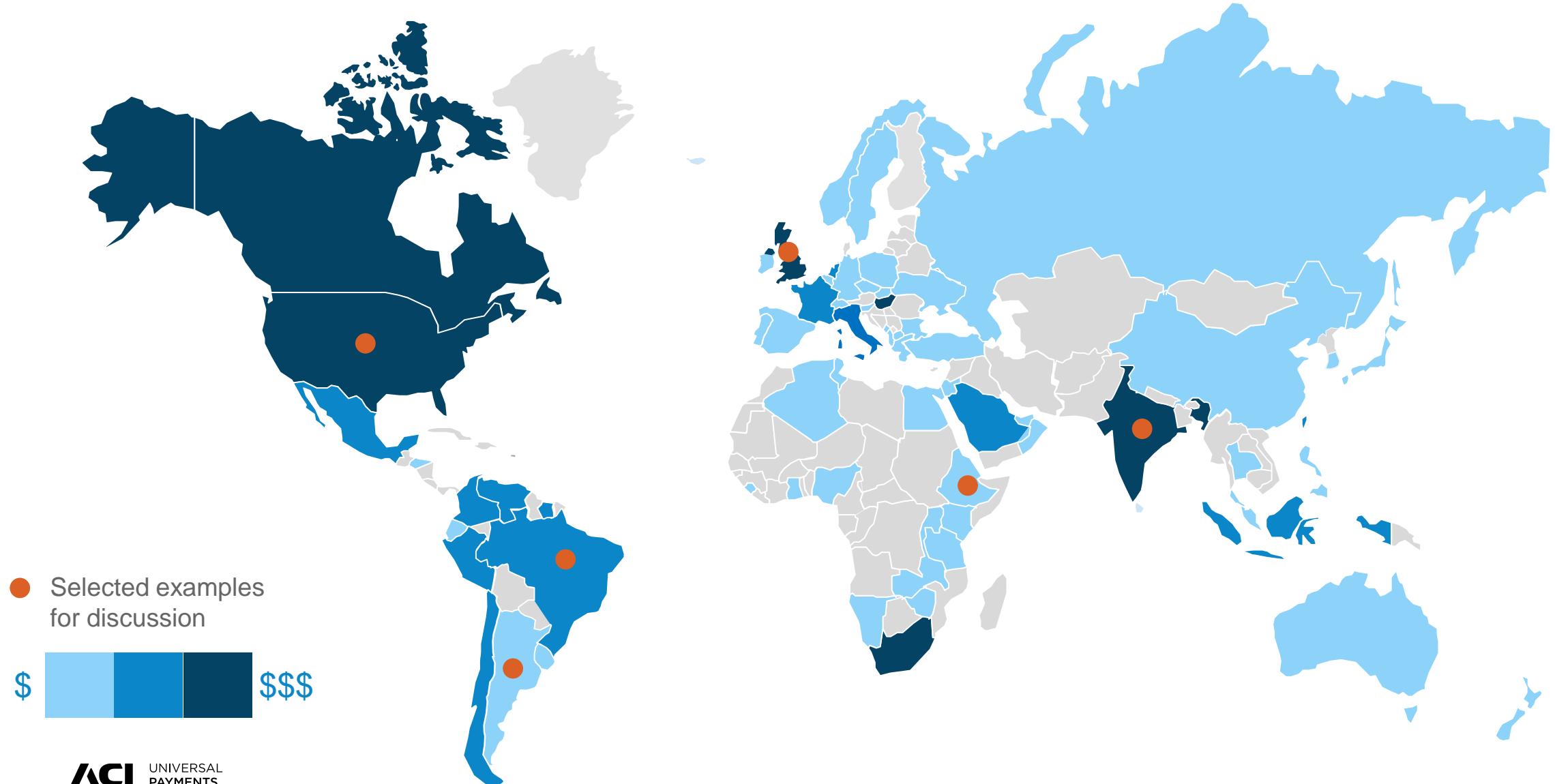


Retail Payments: 2012

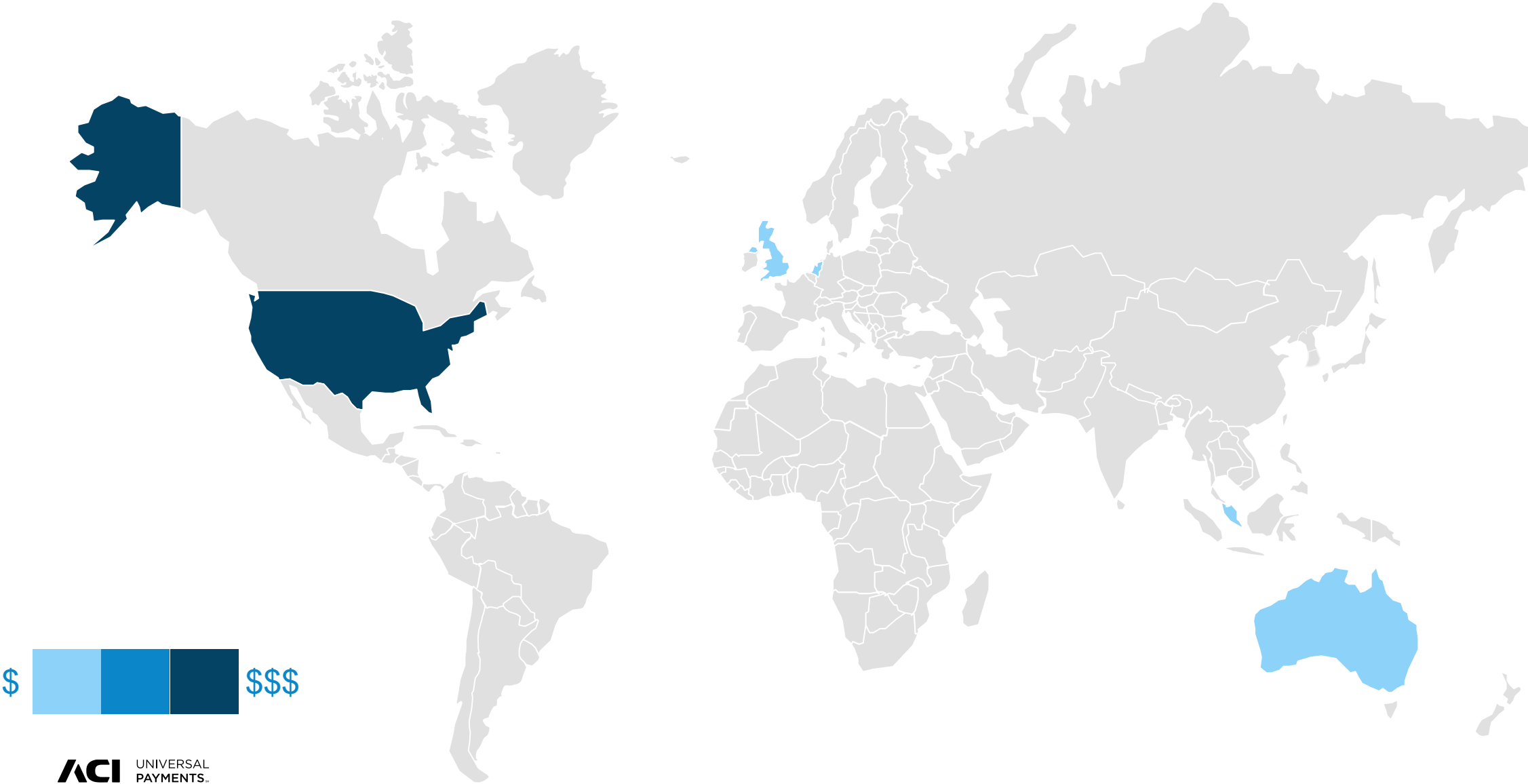


Retail Payments: 2016

UP Retail Payments drives growth through expanded relationships and new sales

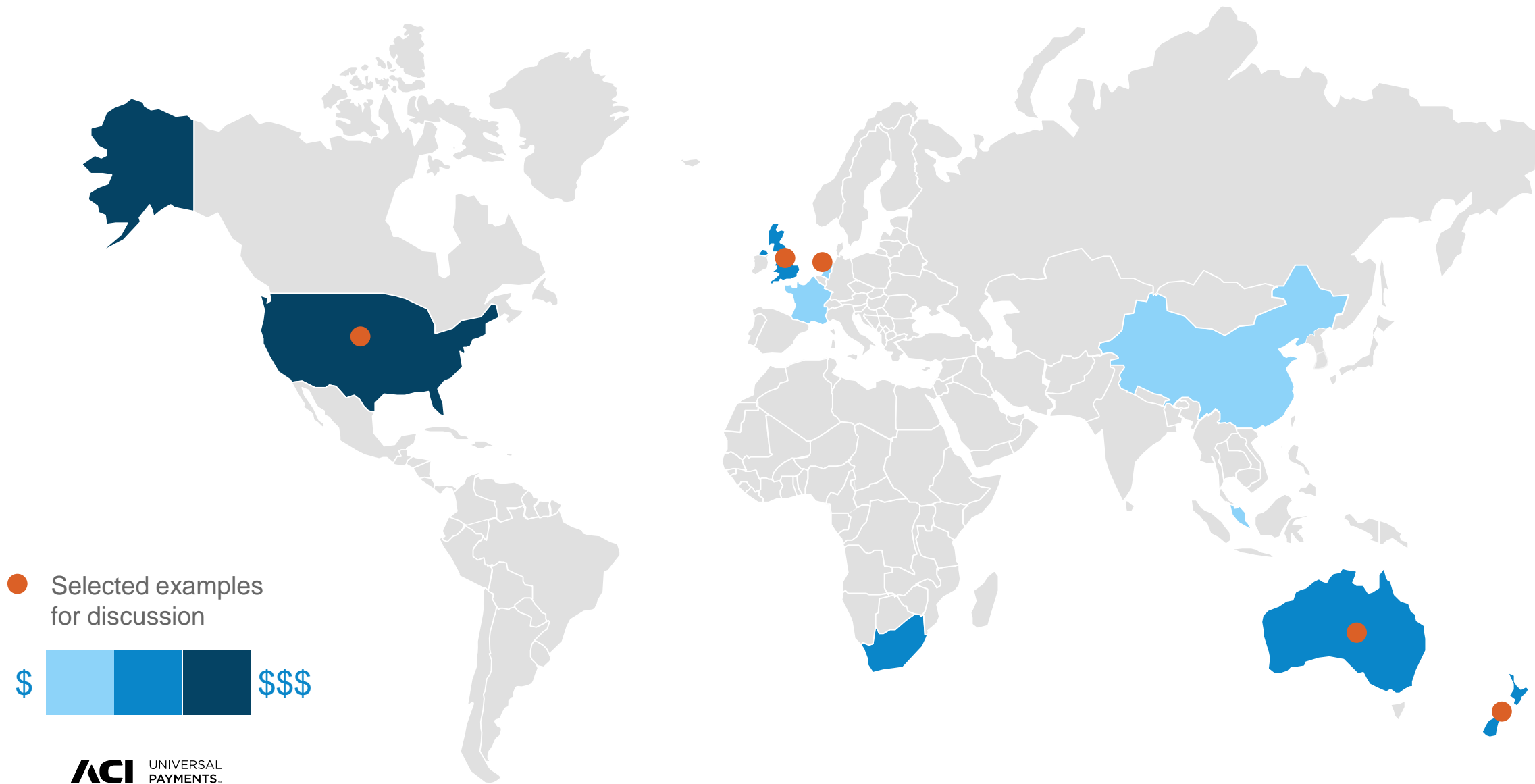


MTS & Immediate Payments: 2012

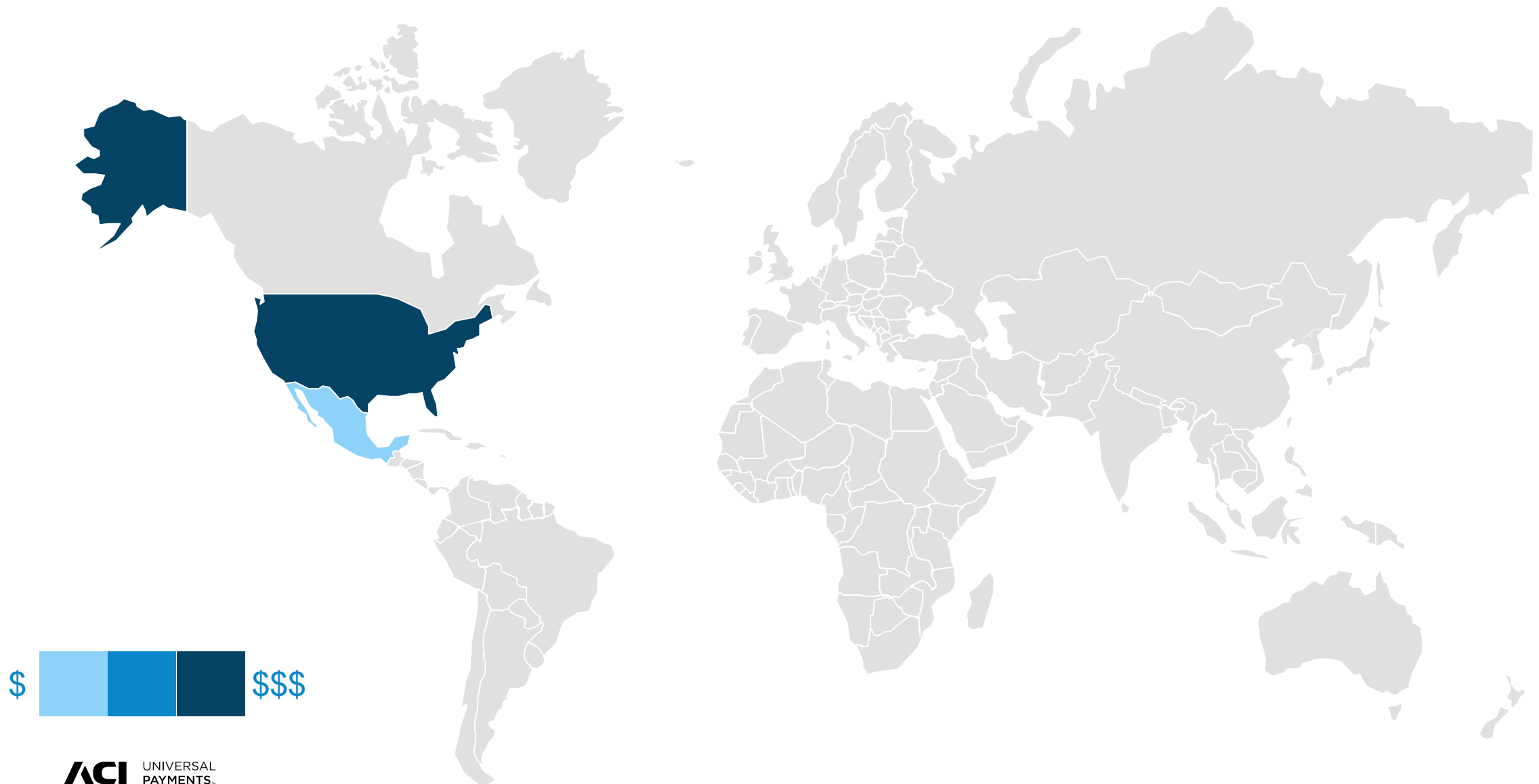


MTS & Immediate Payments: 2016

Loyal MTS customers and transformation of Immediate Payments drive real-time payments adoption globally

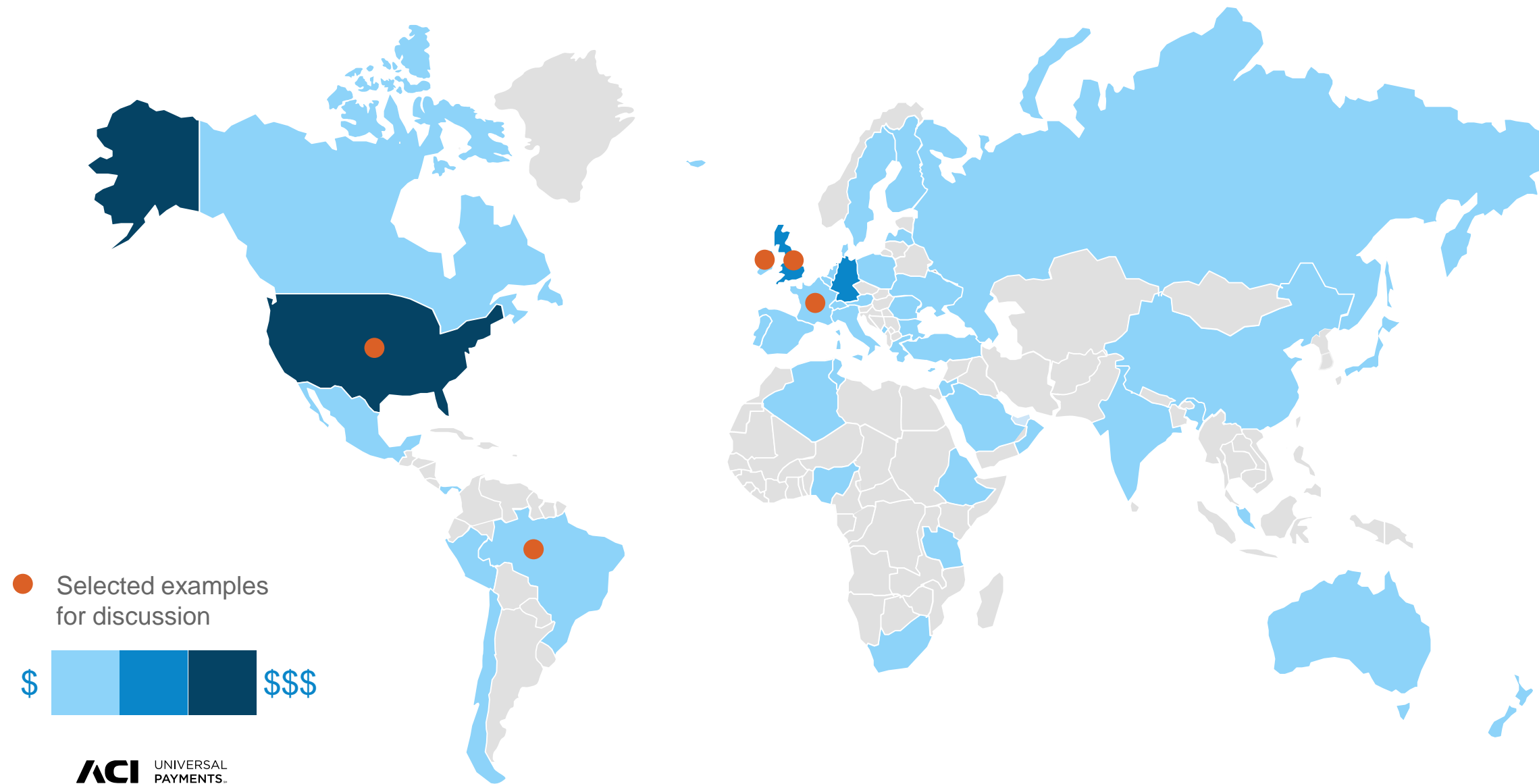


Merchant Retail & Billers - 2012

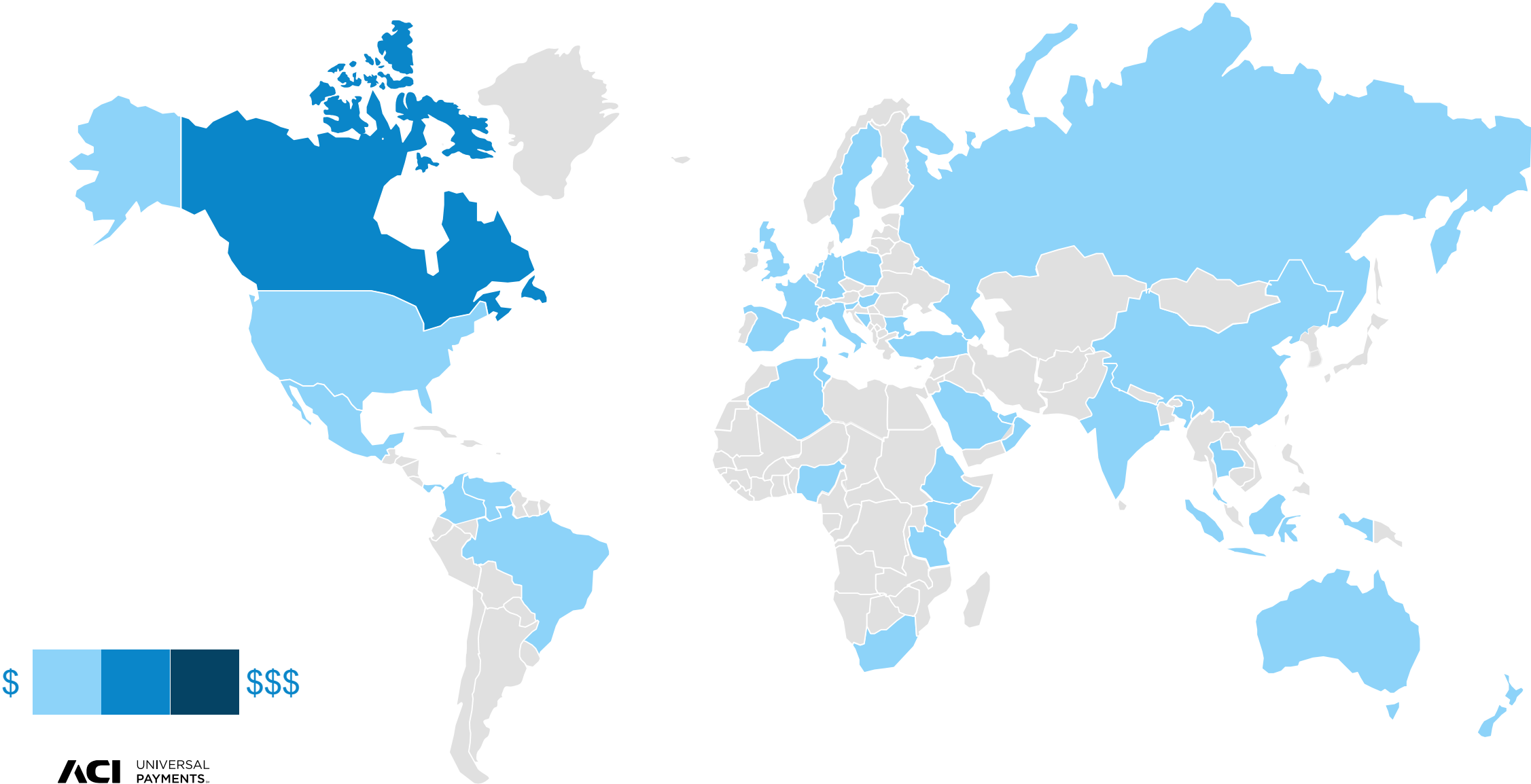


Merchant Retail & Billers - 2016

eCommerce, omni-channel and shift to the cloud provide growth opportunity

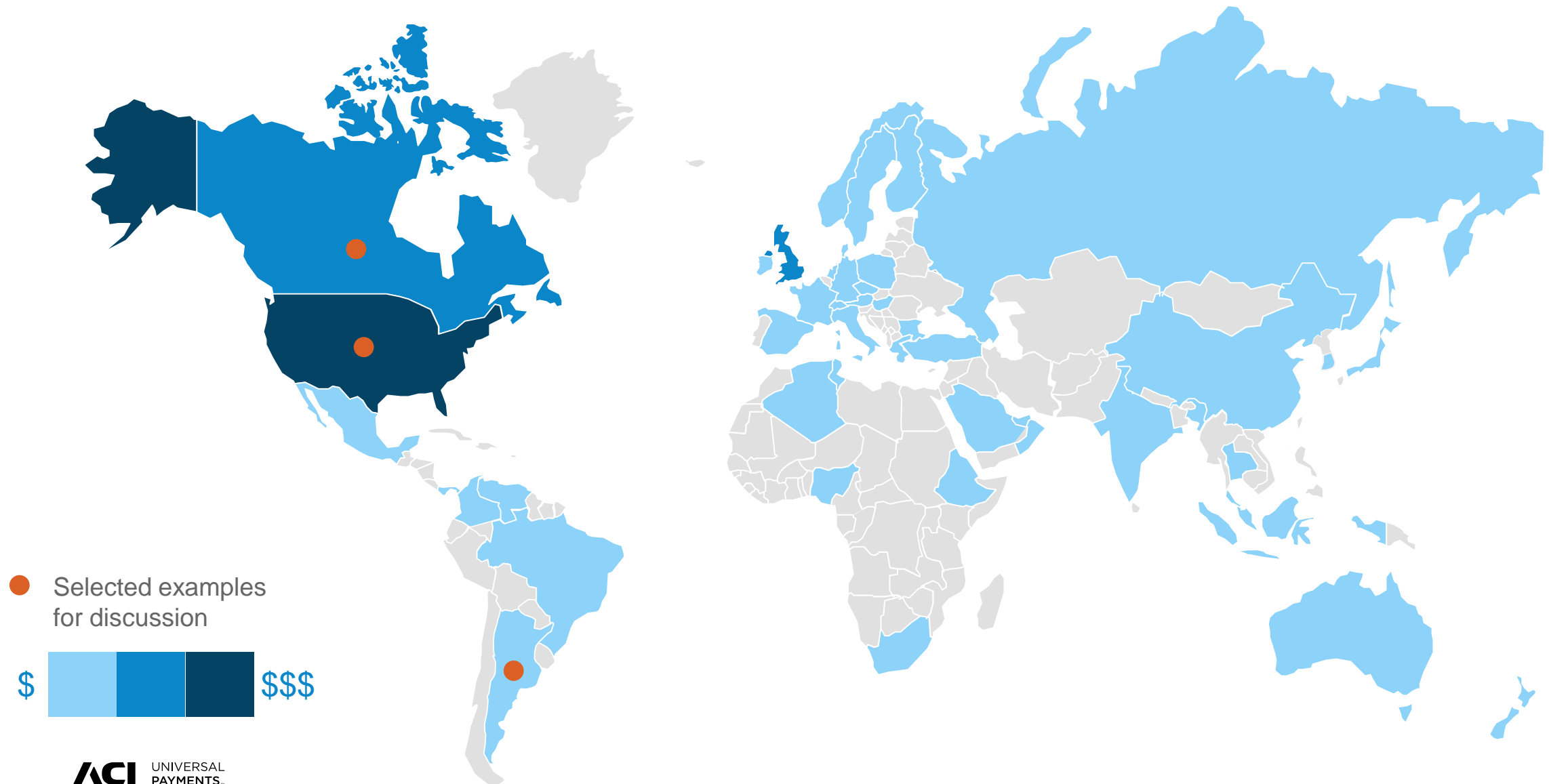


Fraud - 2012



Fraud - 2016

eCommerce, real time and convergence of issuer and merchant data drive growth



ACI - 2016



Ongoing Opportunity

ACI is well positioned for ongoing success

- Industry leadership – participate on 70+ industry and standards bodies
- Ongoing shift to payments in the cloud
- European data center investments
- Industry operating cost reduction based on consolidation and re-platforming play to ACI's strengths
- Major trends such as immediate payments, eCommerce, cross border and multi-national operations, and open access are all addressed by ACI's portfolio
- Strong global sales coverage
- UP makes real-time, any-to-any real – in a real-time world needing more payments capabilities and more connectivity than ever before, ACI has an upper hand



Executing Our Vision and Driving Results

- Customer Focus
- Acceleration
- New Business
- Product Excellence





Mandy Killam

ACI On Premise



Dan Frate

ACI On Demand



Eve Aretakis

Product Development



Carolyn Homberger

Global Sales

BREAK

*UNIVERSAL PAYMENTS
PLATFORM DEMO*



ACI ON DEMAND: DELIVERING SOLUTIONS IN THE CLOUD

Dan Frate

Group President, ACI On Demand



ACI On Demand



amadeus

Finish Line



KOHL'S

4,600+

AOD Customers



 Digital River®



John Lewis

cielo



Key Drivers of Payments to the ACI Cloud



Security and
Compliance



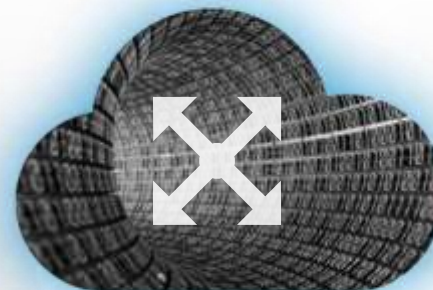
Speed
to Market



Focus and
Flexibility



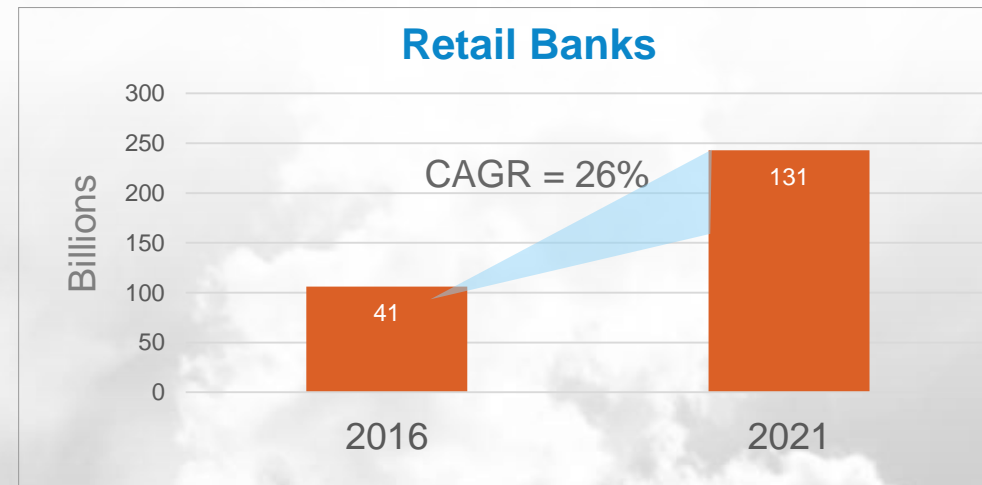
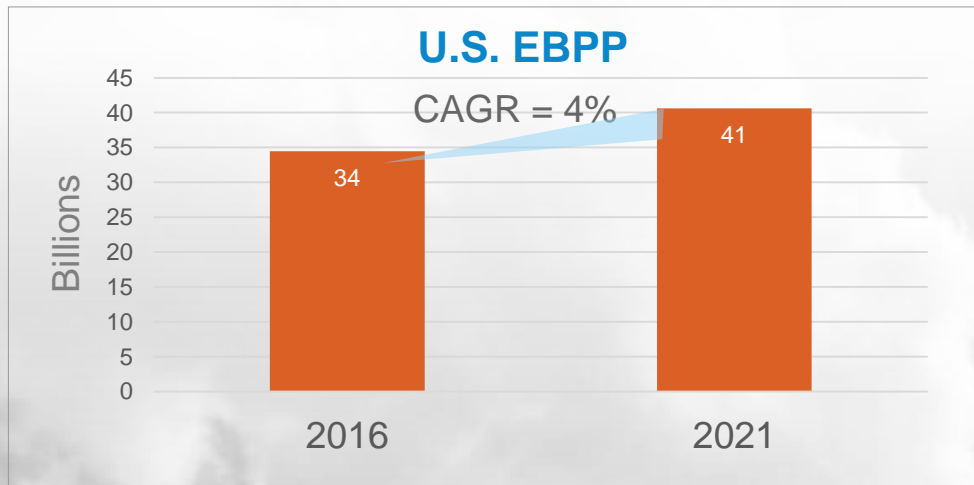
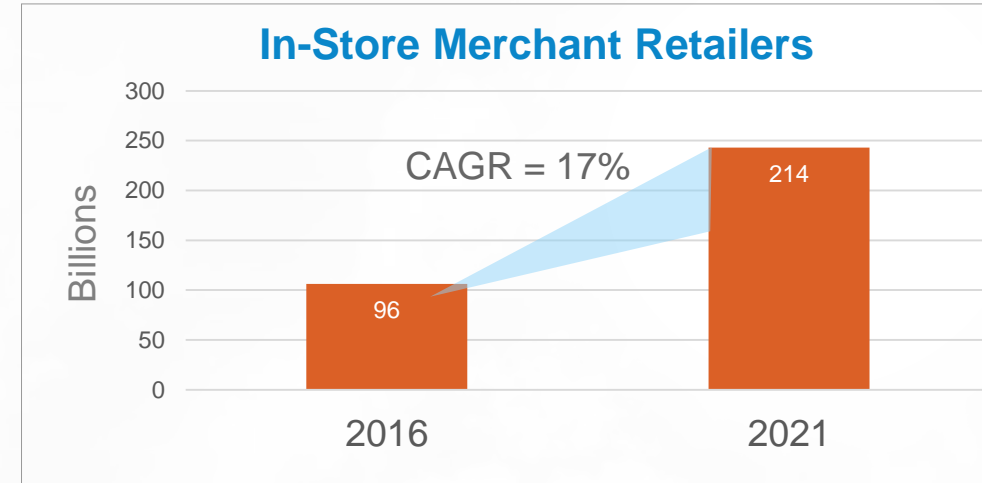
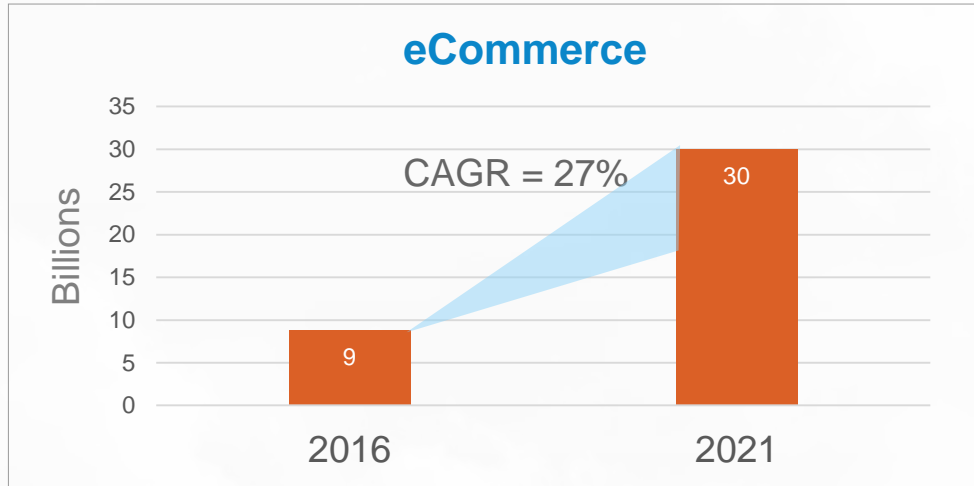
Economics



Scalability



Market Opportunity for Cloud-Based Transactions



Sources: Celent, CEB TowerGroup, Ovum

Merchant Retailer Opportunity

UP Merchant Payments



**ANY
PAYMENT**



ANYTIME



ANYWHERE

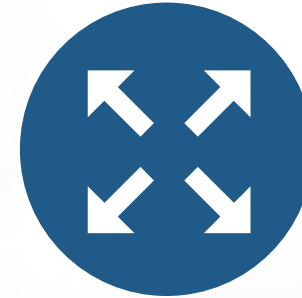
Biller Opportunity



PARTNER
relationships



SOLUTION
enhancements



CROSS-SELL
opportunity

Financial Institution Opportunity



Industry recognized

Award-winning payments and fraud management capabilities



International Award



UP eCommerce Payments Solution
Cross-border Payments Award



Best-in-class
Fraud Tool
and
Ranked #2
of the Top 25
cross-border payment and
providers

PYMNTS.com
WHAT'S NEXT IN PAYMENTS



Best Online Payments Solution of the Year (Merchant)



Customers Recognize Benefits of the ACI Cloud



88% of surveyed customers saw benefits within the first six months or less after deploying their ACI cloud solution.

Research by  TechValidate



ACI On Demand Investment Drives Growth



ACI On Demand: Poised for Success



ACI On Demand Business Leaders



Markus Rinderer



Mike Braatz

Cross-border, Currency and Mobile in One Solution

Challenge: Legacy systems constrained geo and channel growth



Cross-border processing in 85+ currencies



Expanded mobile offering via mobile SDKs



PCI-compliant payment forms

Case Study: Leading Global Gaming Company

Growing revenue and saving costs



**One of U.S.'s Largest
eGaming Platforms**



Acquirer independence



Increased conversion rates



Cost savings

Delivering Real-World Results

Debit card/DDA fraud management and merchant monitoring



Top 10 North
American Bank



90% debit/DDA fraud reduction in 3 years



Sophisticated use of real-time rules
+ advanced analytics

Case Study: Domino's Enabling Omni-Channel

Initiative: Securing payments in physical and digital channels offering consumer choice



Support for anytime, anywhere ordering



Tokenized data across channels



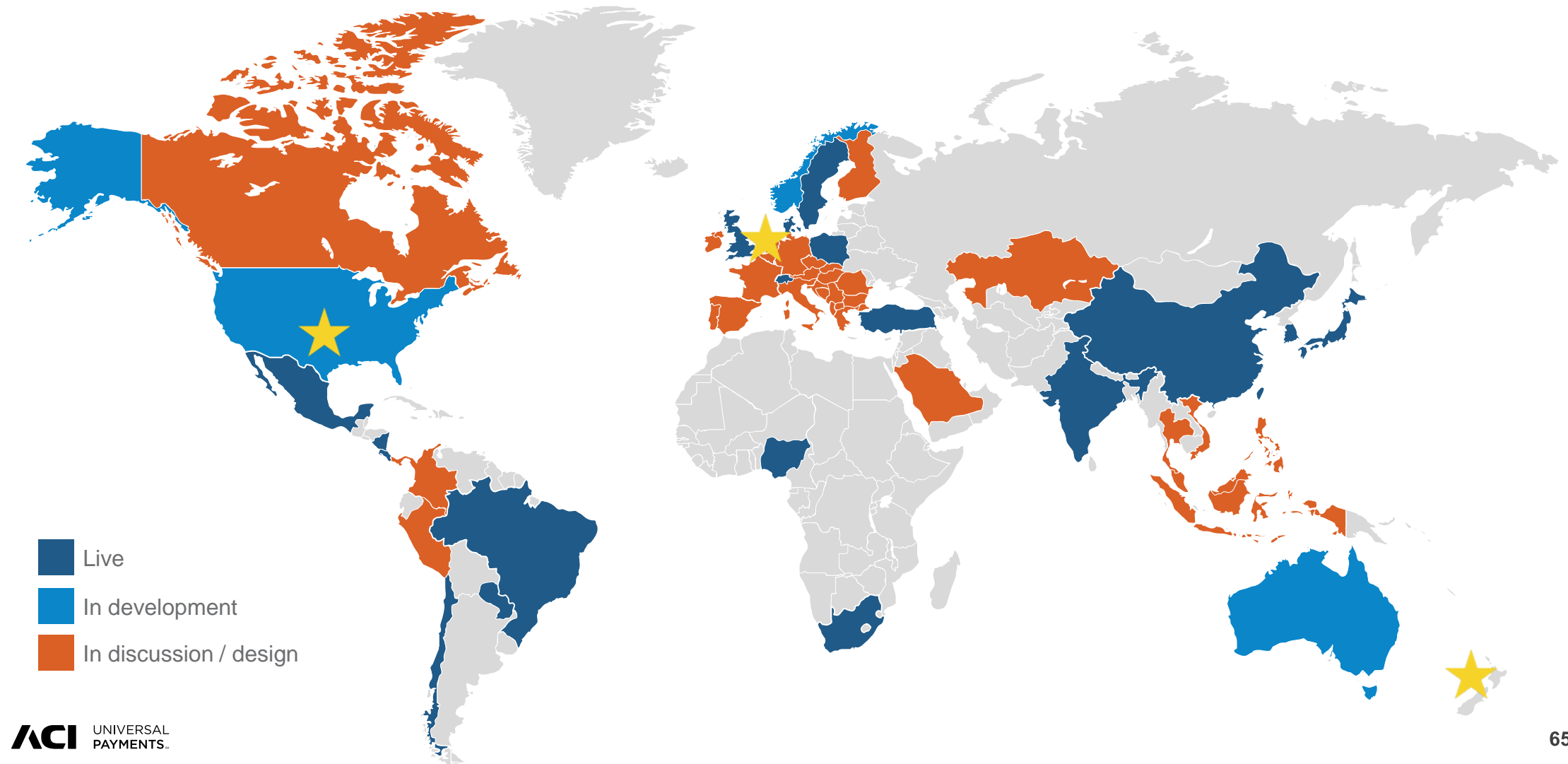
Scalable model for peak volumes

IMMEDIATE PAYMENTS: A GLOBAL ROUNDTABLE DISCUSSION



The Opportunity: Immediate Payments Around the Globe

Major markets adopting real-time payments



Immediate Payments: A Global Roundtable Discussion

PANELISTS

Adam Jordan

Product Owner, Domestic Payments, Westpac

Rob Louwerse

Project Manager, Instant Payments, Rabobank

Deborah Matthews Phillips

Managing Director, Payment Strategy, Jack Henry & Associates

Q&A



Forward-Looking Statements

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

Forward-looking statements in this presentation include, but are not limited to, statements regarding:

- Expectations regarding 2017 financial guidance related to revenue, adjusted EBITDA and full year new bookings growth;
- Expectations regarding five year targets, including future increases in organic revenue growth, adjusted EBITDA margin, operating free cash flow and new bookings growth.

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 success of our Universal Payments strategy, 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 PAY.ON, 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 ability to protect customer information from security breaches or attacks, our compliance with privacy regulations, the protection of our intellectual property in intellectual property litigation, exposure to credit or operating risks arising from certain payment funding methods, 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, volatility in our stock price, our pending appeal of the \$43 million judgement, plus \$2.7 million of attorney fees and costs awarded against us in the BHMI litigation, and potential claims associated with our sale and transition of our CFS assets and liabilities. 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.